

Symphony No. 1
Piano Concerto No. 3
\$7.00 \$6.00 \$5.00
\$4.00 \$3.00 \$2.00
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Engineering firms boost Cabinet pay policy

By David Felton, Labour Reporter

The Government's attempts to restrict pay increases this winter to less than 5 per cent received a significant fillip yesterday when engineering employers refused to increase a 3.16 per cent offer, which affects two million workers.

During three hours of talks with union leaders, the employers indicated that they were prepared to increase the offer by "pence rather than pounds". But after the unions made clear that they were seeking a substantial improvement the new offer was not tabled.

The Engineering Employers Federation will now consult its members on whether the industry can afford a larger increase. Further talks are expected to be held before the end of the month.

Mr Anthony Frodsham, director general of the federation, said: "We are on the verge of a breakdown in national negotiations, which could result in the total loss of national negotiations and in disputes. I think our members ought to be absolutely clear exactly where we are."

After the talks, Mr Terence Duffy, president of the Amalgamated Union of Engineering Workers and leader of the union negotiating team, said the industry could be set on a collision course if the offer was not substantially improved. He claimed that last year's 8.2 per cent settlement had increased the industry's pay bill by only 2 per cent.

Mr Duffy said that a 12 per cent increase, which the union were seeking to protect living standards, would increase the pay bill by 24 per cent. That was because agreement reached nationally on pay for the industry in the past had been based on overtime and shift payments. Most employers already pay more than the national minimum rate.

It is thought that the employers were thinking of increasing the £2.50 a week increase for skilled workers to about £3.75 a week. That would still keep them marginally within the Government's 4 per cent guideline for the public sector.

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The four-page letter to employees gives a précis of management's detailed reply to the union's demand for a flat rate increase of £20 a week which, together with additional fringe benefits, amounts to 20 per cent.

A meeting of all 200 shop stewards on Friday will have before it a recommendation that unless BL makes a substantial improvement in its offer they should take strike action from November 1.

The stewards are almost certain to accept the recommendation. But plant level meetings during the following week will have the final say. BL is determined that everyone attending those meetings will have enough facts to make up his own mind.

The 2,000 Rover workers who will lose their jobs next April, when the Solihull car plant closes, have already announced their opposition to a strike.

BL has given a warning that it will go ahead with the liberal redundancy payments only if there is no interference in production at Solihull and cooperation in switching a new Rover car to Cowley.

Miners: Militants in the Doncaster coal field are drawing up a campaign of opposition to the industry's pit pay incentive scheme (Paul Routledge writes from Doncaster).

The National Coal Board will give its response today to the 25 per cent claim submitted by leaders of the National Union of Mineworkers for a settlement from November 1.

The board is expected to offer a lump sum ranging into many millions of pounds, but not expressed as a percentage figure of the wage bill, so as to avoid an early conflict over the Cabinet's 4 per cent pay rise limit for the public sector.

But the second leg of a possible compromise deal with the union is now coming under pressure from the most militant rank and file unofficial group, the Doncaster Miners' panel, of officials from about ten large pits.

The panel claims that under tough economy measures introduced by the area board the average incentive bonus for face workers has fallen in the last year from £8 a shift to £5, and in some cases is running well below that.

British Airways: Economy cuts will mean poorer service to passengers, the British Airline Stewards and Cabin Crews Association said yesterday.

Mr Sean O'Shea, branch secretary of the union said: "If BA get rid of 1,000 cabin crew I do not believe they can provide the same service to their customers."

Mr O'Shea was speaking after a meeting attended by 1,500 BASSA members at a Heathrow airport hotel voted in favour of its officials negotiating with BA to achieve a compromise.

Fare cuts around Britain

Cheap travel greeted with gloom and ill grace

By Robin Young

Regular Monday morning travellers in the London rush hour yesterday accepted the introduction of reduced fares with little grace and scant gratitude.

While London Transport boasted of what it called a "slight upsurge of traffic during the morning rush hour", travellers, when willing to exchange words at all, wanted only to express their dissatisfaction with the world in general, and the transport system in particular.

At Liverpool Street and King's Cross long and ill-humoured queues developed while mechanics adjusted ticket machines to the new fare system.

"This is ridiculous", one commuter said. "You people must have known these changes were happening. What have you been doing all weekend?"

The situation was little happier on the buses. On a heavily laden No 6 the person tucked into my right armpit said: "Reduced fares? They should be off their heads. They should be paying us to travel in conditions like these."

"And now there will be more people than ever trying to get on the buses, and probably fewer buses than ever for them to get on."

The conductor said that he had been working for two hours. "So far no one has said he is pleased about the fare reductions. My God, they are a grumpy lot," he said, eyeing his overloaded payload of Monday morning misery with distaste.

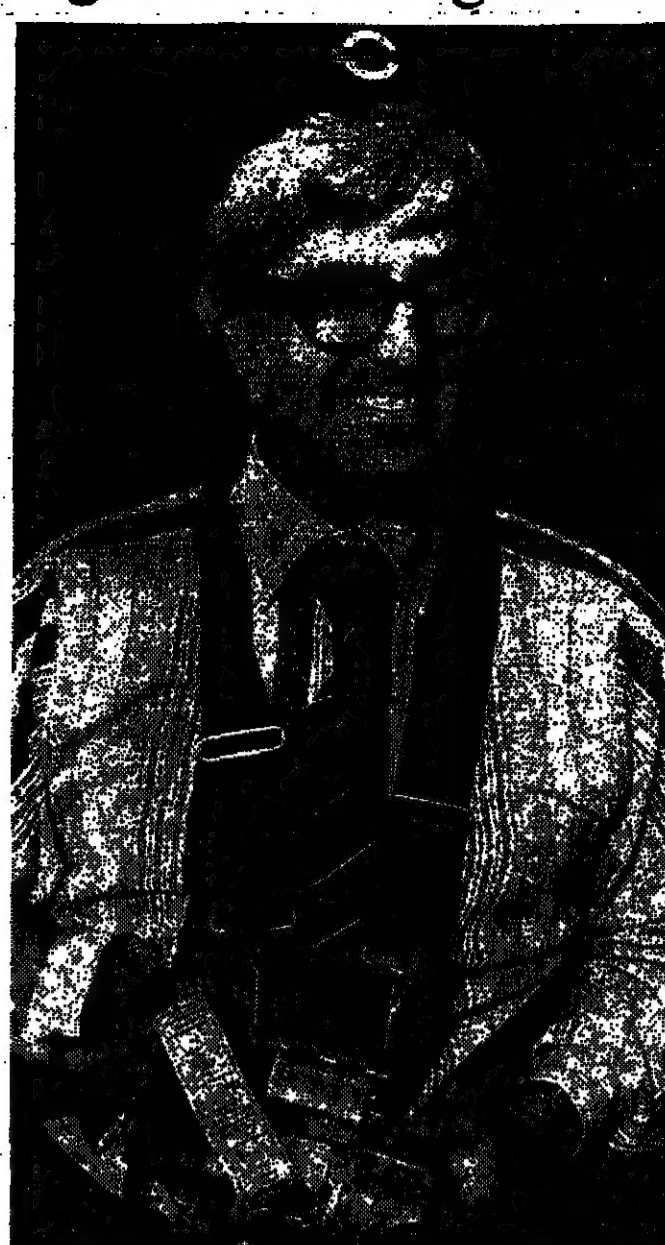
Choosing the one smiling face in the throng at Oxford Circus, I was told: "My single fare from Belsize Park is 40p. It was 60p. But I would not say I was happy about it."

I shall be paying the difference in my fares, so they have to come from some where. It does not take a lot of intelligence to work that out."

At Victoria a long wait for a bus allowed an acrimonious controversy to develop between London residents and out-of-town commuters.

"Don't you start grumbling mate", a local said. "You and most of this lot have come off the Brighton train, and it's the poor likes of me that will be suffering if you lot are not here."

In fact, the cost of the concessions is heavy: £125m in the first year, or more than £200m with government penalties.



Mr David Wetzel, GLC transport committee chairman and architect of the cheap-travel plan, returning briefly at Victoria yesterday to his old job as a bus conductor when he issued some tickets (Photograph by Keith Waldegrave).

ties on the GLC for exceeding its spending limits. Rates will rise by more than £3 a house weekly in some areas, and almost everywhere in London by at least £1.

The only traveller I discovered who said that she would have been in a car had she not heard about the reduced fares said: "Never again. I have come from Wimbledon for 40p, but it has taken hours. I would willingly spend a couple of quid on petrol and risk another £18 or so in car fines rather than go through that purgatory."

The conductor of a No 38 said: "It was nice yesterday. The Sunday maximum fare is down from 45p to 20p, and people were cheerful about that. The Monday maximum is down from 72p to 40p, but you would not think it made a pennyworth of difference, to hear them talk."

At my regular bus stop in Balls Pond Road, Dalston, the

queue was longer than usual. Of course it's not because the fares are down? The man in front of me said scornfully: "It's for the simple reason that no bus has been along here for the past half hour."

About 15 per cent of those paying lower fares on London's buses and Underground yesterday were able to do so with undisturbed pleasure (Michael Bailey writes). They were the tourists (averaging 10 per cent of the traffic) and commuters from out of London (nearly 5 per cent) who are not London ratepayers and who therefore enjoy the benefit of the system without subsidizing its cost.

The idea of issuing identity cards to Londoners who had a ratepayer's right to the deal was considered by the Greater London Council but rejected because it would be inconvenient and costly.

Red Arrow fares remain unchanged at 20p.

London is not the only region in which fares have come down. West Midlands: The West Midlands Passenger Transport Executive introduced fare cuts a month ago. They are expected to cost £17.5m in lost revenue in a full year and are one of the reasons why the Labour-controlled county council is asking for a 14p in the pound rate increase (Our Birmingham Correspondent writes).

The cuts in the fares charged averaged 24 per cent and children under 16 have been paying an experimental flat fare of 2p. The children's fare will be reviewed after six months, but there have already been calls to withdraw it because youngsters have been using the system for joy riding.

Merseyside: The county council's ruling Labour group, which came to power this year, has introduced the public transport fare cuts promised at the election (Our Liverpool Correspondent writes). Commuters on buses, trains and ferries enjoyed their first taste of the 12 per cent cuts yesterday.

South Yorkshire: Cheap bus fares were pioneered by the Labour-controlled South Yorkshire County Council soon after local government reorganization in 1974 (Our Barnsley Correspondent writes). Passengers can travel one mile for only 4p and a 12-mile journey cost only 20p. Children under 16 can ride anywhere in the county for 2p.

The scheme is subsidized by more than £1m a week from the rates.

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Science report

Colliding islands that made continents

By the Staff of "Nature"

About 225 million years ago, the land we now call China was in the middle of the ancient Pacific Ocean, and Siberia was just colliding with Europe. Thousands of miles away, that is the picture which emerges from some recent measurements of the tiny magnetic fields of rocks in the Yangtze and Pekin regions of China.

Two Chinese and two Australian geophysicists collaborated to complete this picture of the geological formation of Asia, which now appears to have been a highly fragmented region in the not-so-distant past, when Africa, Europe, the Americas and Siberia were in one giant landmass called Pangaea.

Somewhere in the giant ocean surrounding Pangaea—according to the latest measurements, quite close to the equator—were great islands which were drifting north to form modern Asia: India, which on collision with Siberia and two smaller landmasses to the south of it (the Kazakhstan and Tarim plates) would create the Himalayas; a block forming South-east Asia: Kolyma and Kamchatka which now form the far eastern end of the Soviet Union abutting the Bering Straits; and the principal blocks which collided to form mountainous China, Yangtze and Sino-Korea.

The islands were not floating on the ocean but on the continents, on the molten rock which lies beneath the Earth's crust. Extremely slow currents in this molten rock cause the continents to move at a rate of an inch or two a year.

The magnetic measurements made by the Australians and Chinese are the kind that have throughout the world confirmed the idea of moving continents. Rocks, even apparently non-magnetic ones, retain a faint magnetic ascription which records the direction of the Earth's magnetic field when they were formed. This direction is a single dip into the Earth, leaving a pretty good record of where the rock was on the Earth at that time.

Thus, earlier measurements had shown that Siberia lay roughly in its present position around 60°N at the end of the Permian period (225 million years ago), while South-east Asia and Kolyma were around 30°N. The latest data shows that Yangtze and Sino-Korea were even further south, within 10° of the equator.

According to one speculation, these mid-Pacific pieces may even have been joined together at that time, fitting together in a different arrangement from their present one in south Asia. Thus while geologists have poured over the idea of Atlantis, there may have been much earlier than the mythical date of that continent, an equivalent in the Pacific. It even has a name: Pacifica. But its existence as a unified entity is still a matter of speculation.

Source: *Nature* (vol 293, p.212), 1981.

IOJ CHIEFS TAKE OVER AT BRANCH

From Arthur Osman, York

A national official of the Institute of Journalists was imposed yesterday as a caretaker secretary (shop steward) on an office branch which was alleged to have accepted a pay and conditions settlement contrary to its members' interests.

The official was Mr Robert Farmer, the union's general secretary, and the branch of the *Daily Telegraph* in London. Mr Farmer's deputy, Mr James Patterson, has become assistant convenor of the branch. New elections for branch posts will be held soon.

The unusual step disclosed at the union's annual conference in York yesterday, was ordered by the national executive after the signing of a house agreement some weeks ago by the branch convenor which was later repudiated by members in a ballot ordered by the executive.

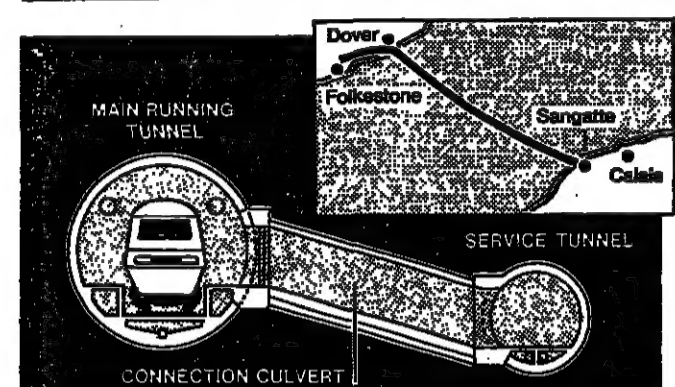
A meeting of only six of the 80 branch members, of whom 50 had voting rights, had split equally over a house agreement, it was said yesterday. Mr Alan Smith, the convenor, cast his vote in favour of signing it.

The agreement was reported to have reduced substantially journalists' expectations and had dispute procedure clause for "inner city" closures (our Liverpool Correspondent writes).

Two Leicester gladiators who drove through the city during disturbances on July 12 wearing Nazi regalia designed to incite Pakistani youths were sentenced in Leicester Crown Court yesterday. (Our Leicester Correspondent writes).

William Hawes, aged 21, was sentenced to four years for using insulting behaviour, possessing an offensive weapon and committing criminal damage, smashing a shop window, on another occasion.

Philip Bentley, aged 35, convicted of possessing an offensive weapon, was remanded in custody pending social inquiry reports.



Channel tunnel gets partnership backing

By Michael Bailey, Transport Correspondent

The Channel tunnel came a step closer yesterday when a formal link was made between British Rail and one of the leading private sector promoters, the European Channel Tunnel Group (ECTG). The move consolidates the position of the single-tube, rail-only tunnel as front runner among the various bridge and tunnel projects, and of ECTG as the likely builder.

ECTG, which formed in 1978, is probably the oldest most international of the rival consortiums, with construction partners in Britain (Costain), France, Germany, and the Netherlands. There are also British and French chairmen. The Sir David Nicolson, Conservative MEP for London, Central, and former chairman of British Airways, and M Pierre Billecocq, former French transport minister.

Their financial advisers, Rothschild, have strong links with France and the United States, where part of the £765m (1980 prices) funds needed for the project are expected to be raised.

Almost all forms of Channel link were investigated by ECTG before the six-metre rail-only tunnel was chosen as the best bet.

The group is still prepared to build a slightly larger tunnel suitable for carrying road vehicles on a rail shuttle if that is what the government want; but not, presumably, in partnership with British Rail, which wants the tunnel to be small enough to take only through trains.

Sir Peter Parker, British Rail chairman, said yesterday that a road shuttle in a single-rail tunnel would produce a

"thoroughly bad service and much argument between the two transport modes". Further "our studies lead us to believe that it would also be significantly less attractive financially than a six-metre tunnel for trains only was all that was needed to serve the commercial interests of British and French Railways, he said during a luncheon at the French Chamber of Commerce in London. It would have the minimal long-term effect on Channel ship operators.

Welcoming the new link, Rothschild said that it could now press ahead with detailed financial arrangements. The likely outcome is separate tunnel-owning companies on each side of the Channel.

A guarantee against cancellation for political reasons would be required, as well as a contract for minimum use by the railways, presumably some between 50 and 80 per cent of predicted traffic.

Coming so soon after the favourable statement from Mrs Margaret Thatcher and M François Mitterrand last month, yesterday's link means that, after more than a century of discussion, the tunnel is really on the way.

Sir Peter said: "The initiative of our Prime Minister and President Mitterrand in setting out a joint timetable for joint discussions has given new heart to those of us who have nursed the hope that the tunnel will become a reality in our lifetimes."

Mr David Howell, Secretary of State for Transport, is expected to announce the Government's choice of scheme by the end of the year.

Three-week silence on books theft

By John Witherow and Michael Leppan

University College London, which has had 267 books valued at £1m stolen from its library, some of which have allegedly been sold in New York, discovered that 100 rare volumes were missing three weeks before they found them. It was disclosed yesterday.

A stock check of the valuable collection on the history of science and mathematics at the end of August showed that the volumes had disappeared, but staff apparently believed they had been removed for rebinding or taken to a vault.

However, on September 17, a man tried to exchange some of the books for a rare manuscript. Quattric's, the London dealer.

When the bookshop got in touch with the library it discovered that padlocks on nine of 40 cabinets containing the collection had been changed. When the staff gained access to the shelves they found a further 150 books had been removed.

Police investigating the case do not know how anybody gained access to the library or how the books had disappeared. Researchers using the reference library normally require written permission but it was suggested yesterday by a member of the staff that an outsider could have walked in and taken the books.

Mr Roger Gaskell, manager of the science department at Quattric's, said: "Many of the university libraries which have rare books are not equipped to look after them. But at the time of financial cuts they do not have the money for better security measures."

University College was referring callers to Scotland Yard. Police, meanwhile, were preparing to fly to New York this week to start extradition proceedings against a Greek-born student who is alleged to have sold the books to a local dealer for \$11,000.

John Papanastasiou, aged 34, a graduate student at Columbia University, was arrested in New York on Friday by customs officials. He has been charged with transporting stolen goods and trying to sell them. He is held on \$25,000 bail for a hearing on Friday.

Youth who wants to be birched

From John Charles Castleton, Isle of Man

A court hearing which may determine the validity of birching in the Isle of Man opened yesterday despite an attempt by a young Glaswegian to abandon his appeal against a sentence of four birch strokes.

The Glaswegian, consisting of the Isle of Man's senior High Court Judge, Deemster Arthur Luff, and Mr Benet Hytner, QC, was placed in a dilemma.

Just over an hour before the sittings were to begin the advocate for the youth, who had pleaded guilty to Douglas Juvenile Court to a charge of assault on board the ship *Mona's Queen*, deposited a notice of abandonment of appeal.

After confirming that his client "intended to sue the firm that he wanted to be birched", Mr John Quinn, advocate for the Glaswegian youth, was instructed by the two judges to seek further advice.

The Glaswegian returned in the afternoon to the court. His client's attitude was unchanged and submitted a statement to the press signed by him, his father and a friend. "My client wants to be birched", Mr Quinn stated.

Deemster Luff and Mr Hytner argued, however, that the necessary three days' notice of abandonment of appeal had not been met.

Excused from that the grounds of appeal were wrong and contrary to the European Convention on Human Rights.

The judges adjourned the hearing until 2 pm today and the youth remained in custody.

Prior likely to act on three Maze demands

From Christopher Thomas, Belfast

Three of the Maze prisoners' five demands will be met at least partially by Mr James Prior, Secretary of State for Northern Ireland, when he announces prison reforms this week.

It is a foregone conclusion that all prisoners in the province will be allowed to wear their own clothes at all times. Possibly up to half of lost remission on sentences will be restored to the blanket protesters, who have been wearing only blankets rather than prison issue clothing. And a degree, albeit small, of further association between prisoners will be granted.

That leaves two issues, work and the number of parcels, letters and visits allowed. The latter is hardly a difficulty; what the prisoners are demanding is a double life sentence, which is available already to inmates who conform to prison rules.

There is, however, a further demand that taken together with work and association, could pose serious difficulties, that on segregation.

If several hundred prisoners were given a double life sentence yesterday, what he pleaded guilty to at Belfast Crown Court to the murders of two former UDR soldiers, one of whom was killed while visiting the Irish Republic.

SOLDIER DENIES 'GAY' CHARGE

Private Stephen Biggs, aged 22, of 7 Field Force HQ and Signal Squadron, was accused of disgraceful conduct of an indecent kind contrary to section 38 of the Army Act, 1955, when he appeared before a court-martial in Colchester, Essex, yesterday.

The charge alleged that on about June last year Private Biggs committed an act of gross indecency with another soldier in Osnabrück, West Germany. He pleaded not guilty.

Gay rights groups sat in the court room.

LOVER'S POISON TRIAL OPENS

Tracey Stamp, the sex-change sailor, denied trying to poison her lover, Mr Keith Vincent, when she appeared at Winchester Crown Court yesterday.

Ms Tracey Stamp, 49, of Penford, Dyfed, faced the charge of poisoning her lover, Mr Vincent, with a bottle of "poison" seeds.

The court was told that Stamp later left him and moved in with her friend, Rosie Swale, the yachtswoman, whose marriage had broken up. She denied admitting to police that she knew how to prepare poisons. The hearing continues today.

Judge accepts reason for guilty plea

By a Staff Reporter

A man arrested in the Bradford riots in July, who said he had pleaded guilty to get out of custody, had his appeal upheld at Bradford Crown Court yesterday.

Mr Tarielochan Gar-Aura, aged 25, of Middle Lane, Bradford, had a fine of £75 imposed by magistrates in July set aside by Judge Raymond Dean, who ordered a re-hearing of the case by the magistrates' court.

It is believed to be the first case connected with the summer riots in which a crown court has ruled that a plea was given in error because the defendant thought that if he pleaded not guilty he would not get bail.

Mr Gar-Aura said he had intended pleading not guilty to using threatening behaviour but thought that as a result he would be kept in custody. As he had found the experience

of spending two nights in the cells "quite horrific", he decided to plead guilty to ensure his release.

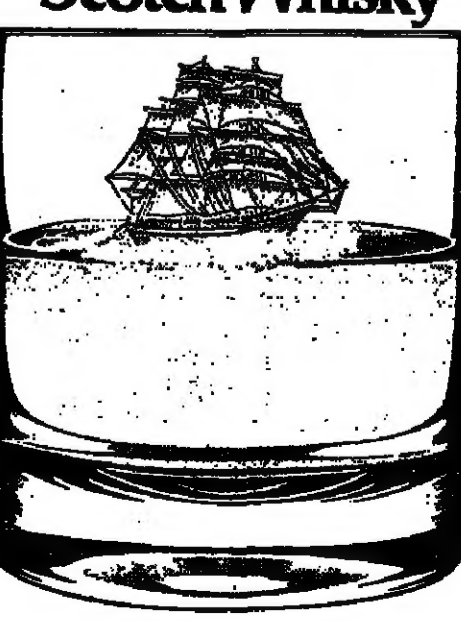
Judge Dean, sitting with two magistrates, said the Bradford magistrates in the case appeared to have adopted a blanket course of action.

His impression was that each case had been considered fully on its merits, and he could understand Mr Gar-Aura feeling he had been robbed of his freedom to choose his plea.

Mr Michael Mansfield, for Mr Gar-Aura, claimed the behaviour and words of the magistrates in dealing with other cases had applied indirect pressure on his client. The magistrates had remanded in custody those who pleaded not guilty.

An article on the Toxteth riots, by Mr Harold Legg, former Chief Constable of Borel, which appeared yesterday in the

Cutty Sark Scotch Whisky



Quality without compromise.

Running costs of quangos top £1,500m, MP says

By George Clark, Political Correspondent
The Equal Opportunities Commission was "neither more nor less than a publicly funded pressure group for a few militant workers' organizations", Mr Philip Holland, Conservative MP for Carlton, suggested yesterday.

Launching another campaign for tougher government action to reduce the number of quangos (quasi-autonomous non-governmental organizations), Mr Holland, known as the "Headhunter of the Commons", said the effectiveness of the Commission's first four years' work could be judged by its failure to advance the claim of women to equal pay.

In fact, its 1980 report showed that in the three years before it was set up women's earnings as a proportion of men's rose from 67 to 73 per cent. But between 1976 and 1979 they fell to 73 per cent, and they were still falling.

Mr Holland was also critical of some of the commission's projects. For example, there was in 1980 a payment of £5,581 to employ an administrator to coordinate a campaign to restore Mrs Pankhurst, the suffragette leader's house in Chorlton-on-Medlock, Manchester, and to establish a centre for the study of the women's movement all over the world.

"What that does is create equal opportunities between the sexes I do not know", he said.

He poured scorn on the proposal by the Scottish Convention of Women and Men in Media, that there should be a new quango "to act as a monitoring agency to combat the allegedly distorted images of women in the media". The commission had made grants of £1,200 to a member of Women in Media to investigate the need for such a quango.

To provide detailed evidence that the appointment of quangos by successive governments has enabled the Executive to engineer a shift of power away from the control and scrutiny of Parlia-



Mr Philip Holland, MP, with a Solomon Islands statuette symbolizing his role as "headhunter". (Photographs by Malcolm Clark)

ment, Mr Holland has written a booklet, under the aegis of the Adam Smith Institute, entitled *The Governance of Quangos*.

It was published yesterday and a copy was at once sent to Mrs Margaret Thatcher, whom Mr Holland regards as an ally, though he thinks she has not been energetic enough in prodding departmental ministers to dismantle their quango empires.

It will be available to the Conservative rank and file attending the party conference in Blackpool next week. Mr Holland will also attend a fringe meeting on "a surfeit of quangos" organized by the Federation of Conservative Students.

"Out of a total of about 3,000 quangos, the present Government has abolished between 500 and 600, but about 60 new ones have been created", he told a Commons press conference.

The announcement of the death of a quango is not always what it seems. The abolition of one body provides

the opportunity to set up another with slightly different terms of reference, while in no way reducing the amount of patronage or the weight of bureaucracy.

The abolition of about 600 quangos, saving about £25m annually, with a reduction in the activities of others, saving a further £350m, a year, might be thought sufficient to satisfy even the most ardent "quango hunter".

But Mr Holland was not content. "There remain a further 2,400 official bodies whose administration costs alone exceed a well researched estimate of £1,500, annually", he said.

The Whitehall establishment stiffened its resistance each time a new citadel was stormed. "Ministers are fed reasons for retaining this, and creating that". Huge vested interests were at work maintaining the status quo.

The Governance of Quangos (Adam Smith Institute, Little Smith Street, London, SW1, E2 4JF).

NUS plans sixth formers as members

By Diana Geddes, Education Correspondent

The National Union of Students is proposing to change its rules to allow the 260,000 pupils in sixth forms and sixth-form colleges to become full-time members.

The union's national executive will put a motion to that effect to the union conference in Blackpool in December. The union has more than 1,200,000 members.

A spokesman said yesterday that the increasingly arbitrary division between educational provision in further education and school sixth forms made the move a logical extension of its work. Any student in a further education college is eligible for union membership.

A full-time official had been appointed to look after the interests of students aged 16 to 19. One of the union's first tasks would be to press for greater parity and order in the chaotic system of grants for students in that age group.

A group of students who are dissatisfied with what they describe as the "undemocratic and extremist nature of the NUS" yesterday launched a non-political student organization, called the Independent Students Association.

Speaking at the association's launch in London, Mr Alex Warren, president of Dundee University students' association and chairman of the organization's national steering committee, claimed that the NUS no longer represented most of its members, and that it was more concerned with party politics than with students' interests.

Mr Warren is a member of the Social Democratic Party. Other members of the association's steering committee include Mr Roman Suplak, a member of the Federation of Conservative Students.

The NUS spokesman said that the union was not worried by the new association.

NSPCC plea to Government

By Nicholas Timmins

The National Society for the Prevention of Cruelty to Children is to seek long-term government support for the first time in the face of huge deficits and a steep increase in child battering.

The society had a deficit last year of £828,000, has lost about £750,000 this year and faces a similar deficit in the coming year. Its reserves have dwindled from £3m to less than £1.5m, with part of this year's shortfall to be met, and without government support and increased public donations it faces cuts in its services.

The society's difficulties are partly self-inflicted because it has refused to reduce its activities at a time when spending cuts are forcing local authority social services to reduce their provision of out-of-hours cover.

Dr Alan Gilmour, director of the society, said yesterday that in some areas, for example, Kent, parts of the Midlands and in certain London boroughs, the society was the only agency providing a 24-hour service. "If the society were to withdraw its services there would be no one to take its place", he said.

That was particularly worrying in the face of a 40 per cent rise in the number of

cases of serious child abuse in the past two years.

In 1979 the society knew of 1,052 cases where children had been injured and it was suspected the injuries were non-accidental. In the year just ended that figure had risen by more than 400 to 1,486, and the number put as being at risk of physical injury had risen from 1,380 two years ago to 1,975 in the past year.

Even a 10 per cent cut would mean the loss of about twenty of the society's 249 inspectors, Dr Gilmour said, with 2,000 children left at increased risk. "The implications are grave. In a high proportion of cases it is the parents themselves who come to us for help before any serious injury is inflicted," he said.

"If the society were forced to cut back on its services it would not always be able to respond to these calls for help. With the number of serious cases sharply rising and other agencies already reducing their services, thousands of children depend on the NSPCC, and the NSPCC alone".

The society will be seeking at least £250,000 a year from the Government, which stepped in with ad hoc grants



Dr Gilmour: "no one to take NSPCC's place"

of £125,000 in 1978-79 and £100,000 last year. This year, however, there has been no direct aid. Dr Gilmour said he would be seeking "a substantial and regular grant" from the Government.

This year's £750,000 deficit came despite an appeal last October that raised an extra £300,000.

At a press conference the society's officers were reluctant to provide simple reasons for the apparent increase in child abuse.

Cashing in on names is climbing's new game

From Roland Faux, Kingussie

The businesslike idea of a Lakeland rock climber has outraged the mountaineering fraternity and has been brought to the attention of the British Mountaineering Council, the governing body of the sport.

Mr Bill Birkett of Kendal, a climber who has discovered a number of new routes on Lake District crags, has approached several companies in the climbing equipment industry offering to name his climbs after their products for a fee. By tradition it is the right of the first person to climb a new route to name it.

Because climbers are becoming technically more proficient and better equipped, the number of new "lines" appearing on British crags is 200 a year. Competition is fierce among the most gifted groups. The pressure to think of new names has produced results that are at best bizarre and at worst incomprehensible or obscene.

Mr Birkett is unrepentant about his money-making scheme. He has already named one route after a new brand of boots. He said: "There are a lot of people making a lot of money from climbing in one way or another but the climbers themselves, the people who put in the effort, make nothing. That is why, after a lot of thought, I decided to go ahead".

Mr Birkett's entrepreneurialism has had a bleak reception among many of his fellow climbers.

Certainly, climbs carrying such names as Sword of Damocles, Holy Ghost, Armageddon, and Cargyle Direct — a few of the established classics — have a more impressive ring to them than "Blogs's Book" or "Brand X Thermal Underwear" would have. Undeterred, Mr Birkett insists: "This idea does not deface the cliff. The name appears only in the guidebook

Rate referendum attacked as threat to constitution

From Tim Jones, Cardiff

Government proposals to force local authorities to hold a referendum before they levy a supplementary rate were attacked yesterday as posing a serious constitutional challenge that could undermine representative democracy.

Professor John Stewart told delegates to a conference organized by the Council for the Principality and the Welsh Counties Committee that the proposed referendum would destroy the basis of local elections, since councillors are expected to carry out policies involving finance and expenditure.

Professor Stewart, director

of the Institute of Local Government Studies at Birmingham University, said the constitutional issues posed by the referendum were so critical that a conference should be called to discuss the threat it posed.

Any such referendum, he said, would be biased to give a "no" vote.

Professor Stewart said the effect of the proposal would be to strengthen centralized power at the cost of elected local government at a time when Britain was the most centralized power in Western Europe.

'MAN IN CUFF' LINKS CASE 'OWES £4m'

Mr Per Hegard, the Norwegian millionaire whose former wife was sued in the "company cuff links" case, left the country owing £4m, counsel told a High Court judge in London yesterday.

Mr Justice Vinelott in the Companies Court made compulsory winding-up orders against three Hegard companies, Seton Securities Ltd, Seton Trust Ltd and Amalgamated Industrials Ltd.

Seton Securities was owed £4.5m by subsidiaries and £1.5m by Mr Hegard. Seton Trust was owed more than £2m by Mr Hegard. Amalgamated Industrials was owed more than £5m by Seton Securities.

Whitehall brief

Thatcher to cut senior men

By Peter Hennessy

Mrs Margaret Thatcher has approved a plan to undo some of the effects of the explosion in senior Civil Service manpower that took place in the Wilson and Heath years. Her action comes after the completion of an unpublished report into the top three grades of permanent, deputy and under secretaries by Sir Geoffrey Wardale, former Second Permanent Secretary at the Department of the Environment.

Although it has been judged impossible to slim down Whitehall's so-called "open structure" (which since 1971 has embraced all posts of under secretary and above) to the complement of 550 its constituent grades filled in 1965, a cut of about 10 per cent has been authorized for the 822 senior men inherited by the Conservatives in May 1979. The chief result of the Wardale report will be a reduction in the ratio of deputy, and, especially under secretaries to permanent secretaries.

On the basis of figures supplied by the Civil Service Department, it seems that in 1965 for every permanent secretary there existed 2.5 deputy secretaries and 9.5 under secretaries. In the peak year of 1976, the ratio stood at 1:3.5:13.5, though it has since eased slightly to 1:3.5:13.

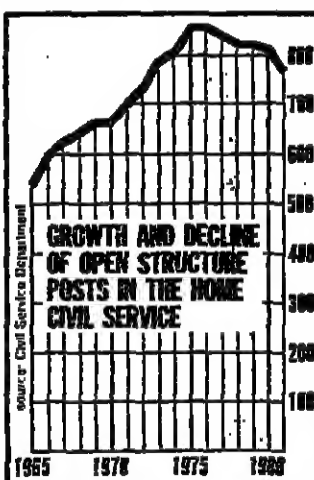
The Prime Minister's plan will be disclosed later this autumn when the Wardale report is released. The possibility of abolishing the under secretary grade altogether was considered, but eventually ruled out on the ground that a jump in the chain of command between assistant and deputy secretary would not be practicable in most departments.

Figures available from the CSD show that the boom years for the senior bureaucracy occurred under the Labour governments of Sir Harold Wilson, 1964-70 and 1974-76, and the Conservative administration of Mr Edward Heath between 1970 and 1974. Over the period 1965-76, the number of permanent secretaries increased by 18.9 per cent, deputy secretaries by 65 per cent and under secretaries by 84 per cent.

Successive manpower economy drives since the currency

HOME CIVIL SERVICE OPEN STRUCTURE

Grade	Number (April 1, 1981)	Salary (Today)
"Super" Permanent Secretary	3	£35,845
Permanent Secretary	22	£33,170
Second Permanent Secretary	15	£30,495
Unified-Intermediate Pay Point (Higher)	4	£28,355
Deputy Secretary	145	£26,215
Unified-Intermediate Pay Point (Lower)	32	£22,110 (Under review)
Under Secretary	542	£21,935



crisis of 1976, particularly the single-minded attempt to slim down the central bureaucracy after the Conservatives returned to power in May 1979, have trimmed the number of permanent secretaries by 4.5 per cent, deputy secretaries by 4.5 per cent and under secretaries by 9.2 per cent. But the 1981 staff complements still represent a growth of 13.5 per cent, 57 per cent and 67 per cent respectively in the three top grades since 1965.

There are several explanations for the expansion. Both Wilson administrations and the Heath government after its U-turn, were interventionist in economic and social policy. The scope of central government waxed consistently from the mid 1960s to 1979, creating new bureaucratic jobs in its wake.

Whitehall also experienced a phenomenon known as "grade creep" whereby, in extreme cases, deputy secretaries would find themselves performing tasks undertaken by assistant secretaries in previous eras. Grade creep involved a good deal of

"second guessing" by officials who overlapped with the work of others in the hierarchy. At a time of increasing public spending, least attention was paid to the need for manpower control.

It could well be that grade creep was further developed as a mechanism for mitigating the consequences of incomes policies which were an almost constant feature of the Whitehall scene between 1965 and 1976. It is also possible that expansion was fuelled further by the creation of the Fulton report whereby a number of senior scientific and professional posts were amalgamated with top administrative jobs in the new grouping.

Prime ministerial action on the basis of the Wardale report will reflect the contemporary Conservative philosophy of a leaner, fitter, less interventionist government machine with clearer lines of responsibility, shorter chains of command and as little second guessing as possible.

By April 1 this year, the Thatcher administration had slimmed down the open structure from the 822 it inherited to 767. The latest figures supplied to the Commons Treasury and Civil Service Committee was 759, showing that the Government is well placed to achieve its target of an open structure of about 740 by April 1984.

Unlike previous economy drives, that launched by the present government has not spared top men. Of the 63 posts trimmed from the open structure between April 1979 and July 1981, 14 officials have been made redundant, 43 have retired prematurely either on the grounds of ill-health or limited efficiency, while six posts have been saved through natural wastage.

High quality of Meissen porcelain boosts prices

By Geraldine Norman, Sale Room Correspondent

"I just did not dare to suggest that a teacaddy could fetch £10,000", Mr Hugo Morley-Fletcher, of Christie's, said yesterday after selling a Meissen porcelain teacaddy of about 1725 for £12,000 to the Antique Porcelain Company. It had carried an estimate of £5,000-£8,000 but Christie's were well aware of the exceptional quality of its Chinoiserie decoration. They were cautious about suggesting that bidders might pay much more for the "best" than for an ordinary example of the style.

The teacaddy belonged to a fine early service sent for sale by a Continental collector.

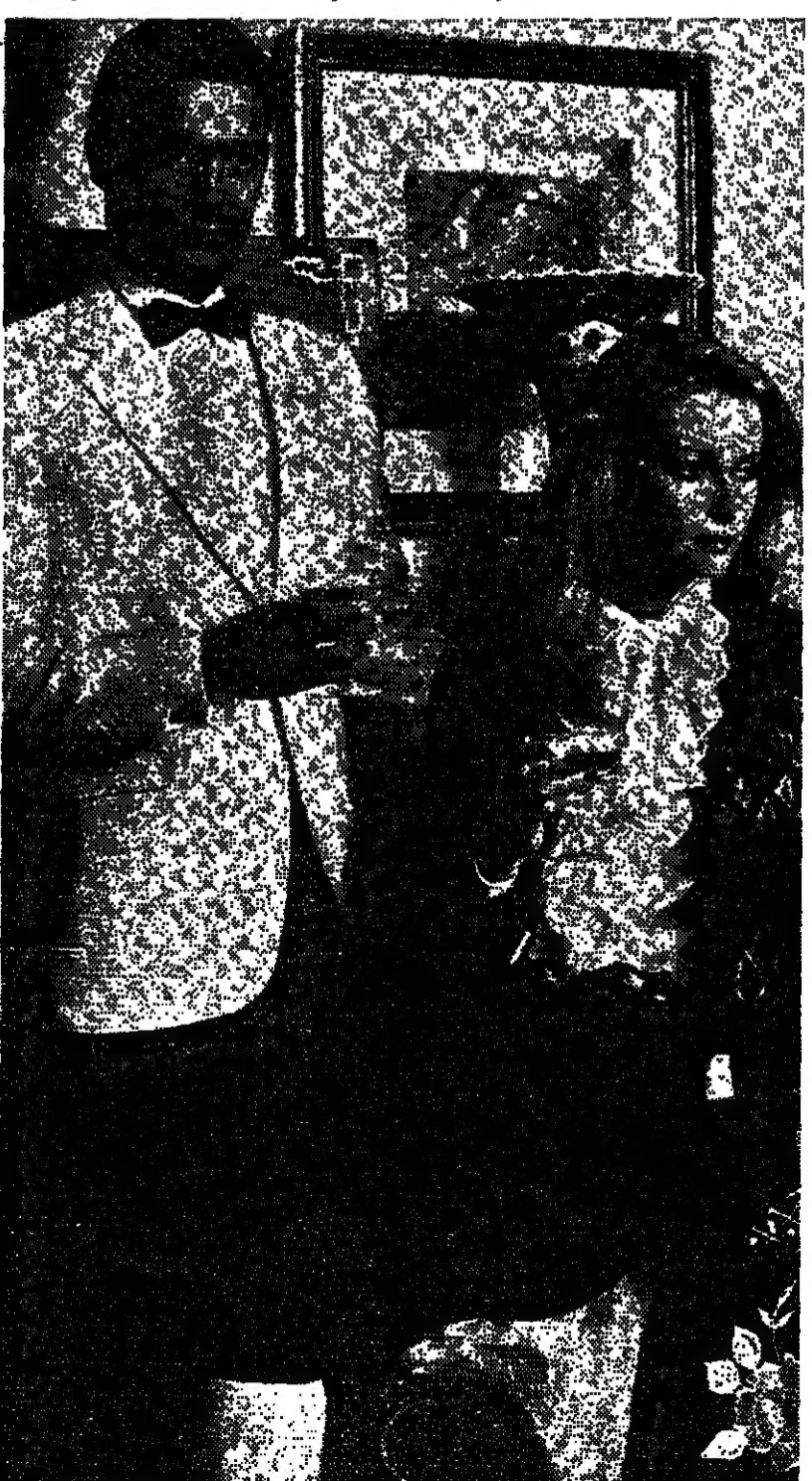
All the pieces ran beyond estimates. A large, globular teapot fetched £12,000 (estimate £4,500-£6,000), an oval sugar bowl and cover £7,500 (estimate £4,000-£5,000), a pair of teabowls and saucers £8,500 (estimate £4,000-£5,000) and a damaged hot-milk jug and cover £1,400 (estimate £1,200-£1,500).

As in last summer's sales, there was little demand for routine pieces but Christie's were unusually well supplied with outstanding items from old collections.

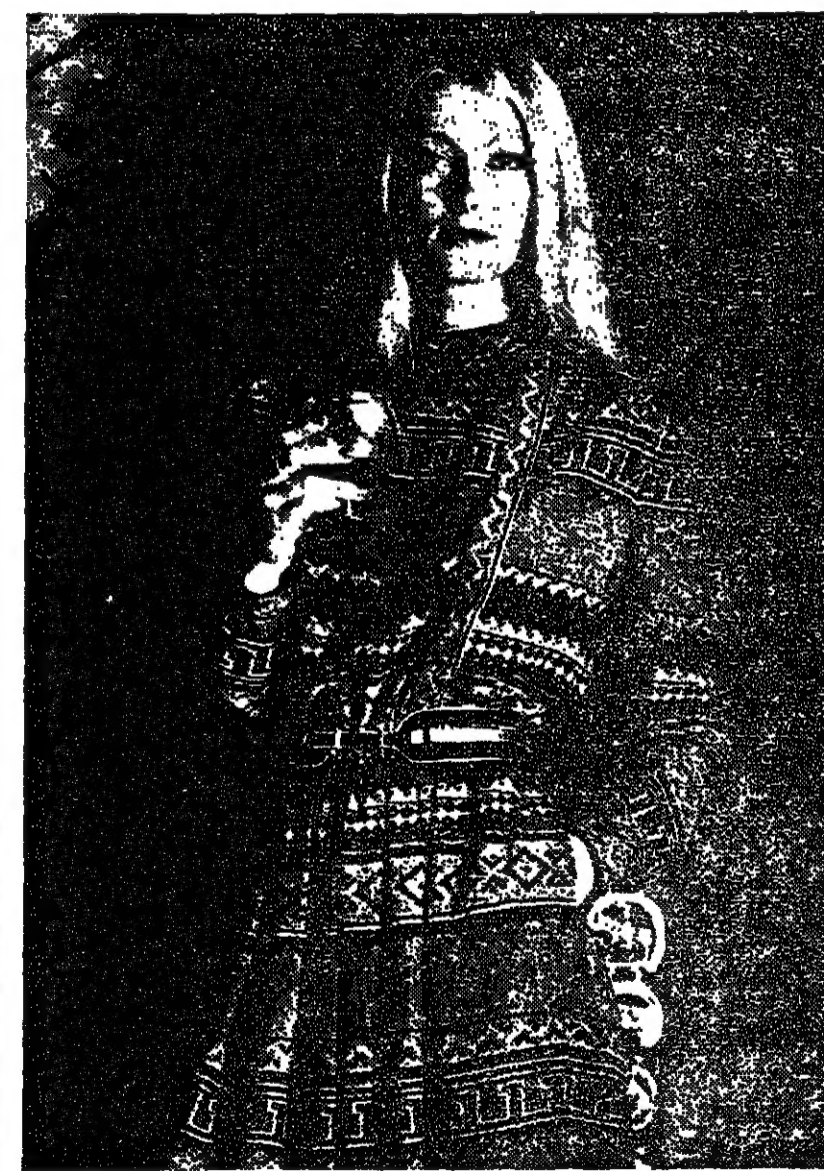
At Sotheby's a routine early season sale of icons proved unusually successful.

Simpson style...

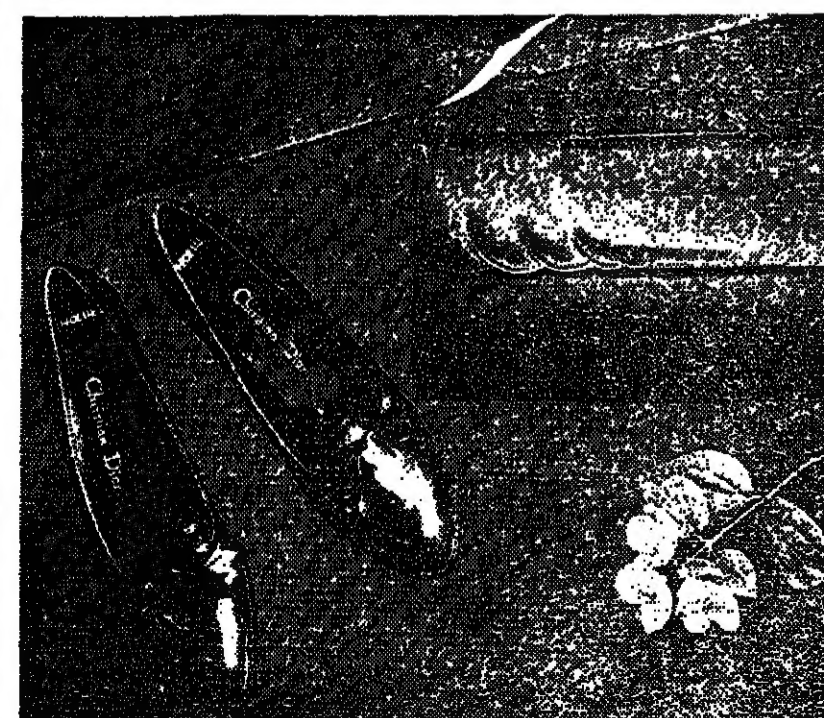
Style is difficult to define but easy to recognize. At Simpson, style is today's approach to life reflected in superb clothes from the liveliest designers - elegant clothes - fun clothes - action clothes - chosen in a relaxed atmosphere and cheerful, spacious surroundings. For formal or casual moments, for business or for the great outdoors, there's only one way to dress. Simpson - where style is always in fashion.



Her quilted jacket, 10-16 £95.00. Pastella shirt, 12-18 £42.00, both in 100% polyester. Velvet knickerbockers, navy or black, 100% cotton, 10-14 £39.00. His Jacobson tuxedo, white or navy, 100% silk £145.00. Dress trousers, in wool/mohair £50.00.



Roger Mahr dress, 8-14 £219.00, from the Designer Collections on the 4th floor.



Shoes £55.00, handbag £62.50, belt £27.00, designed by Christian Dior for Charles Jourdan.

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SDP conference/Perth

Rodgers sees three big targets in a new industrial revolution

Reports from John Winder, Bernard Withers, Geoffrey Browning, Sara Bonner

A Social Democrat and Liberal government should go ahead with three main projects which would help unemployment and give back morale to the sorely pressed and deeply depressed private and public sectors Mr William Rodgers, MP for Teesside, Stockton, said in opening a debate on industrial affairs. The projects would be the gas-gathering pipeline, full electrification of the mainline rail system and the Channel tunnel.

"There is a case for a massive partnership between the public and private sector which will demonstrate what Britain can do today in a new industrial revolution," he said. There had to be a genuine partnership between government and industry.

When the party was launched last March it made a plain statement that it supported a mixed economy. The strange thing was that the statement from a political party made news.

Unemployment in Britain was now almost three million, and rising. Inflation had reached 11.5 per cent and the indications were that it would rise. Industrial production had fallen by 17 per cent since May 1979. Small companies were being destroyed every day.

"There is a desperate need to talk about the case for a genuine partnership between government and industry," Mr Rodgers said.

At Brighton last week any delegate who went to the rostrum with the same message referring to the public sector, saying that profitable public assets would not be hived off, would be treated with a little more courtesy but would be told quite precisely the same thing as he was out of time with the time.

"Industry for many years has been the victim of seaside politics. It has become an ideological battleground and three million people are the victims," Mr Rodgers said.

The Conservative Party believed in the primacy of monetary policy, in the rigidity of cash limit and in cutting public expenditure irrespective of whether it was cost effective. The country did not want a Labour Party which believed in nationalisation or the present government with all the damage it had done to Britain. There had been a Labour Party which believed in nationalisation on merit and not for doctrinaire reasons. There had been the Conservative Party of Harold Macmillan, Iain Macleod and Edward Boyle, which was a very different party from the one of Mrs Margaret Thatcher, Sir Keith Joseph and Sir Geoffrey Howe. "That is one reason why many people who once voted Conservative are going to vote social democrat at the next general election."

No government could commit itself to open-ended public expenditure. The SDP was desperately concerned that public money was not only spent, but well spent.

For over twenty years this country had had a dismal record of industrial decline, especially in manufacturing. On the whole Britain had done worse than her main competi-

tors and countries very much like her.

The black spots where Britain had fallen badly behind must be recognised. Those black spots were vehicles, steel and some parts of heavy industry. Among those black spots as well were quality and reliability, industrial relations and the challenge of new technology.

"Those are areas of agreement that define our terms of reference," Mr Rodgers said. The role of government in industry should not be exaggerated. There was no evidence that ministers and civil servants were better equipped to make day-to-day industrial decisions than managers and skilled men. On balance, industry needed less intervention, not more. Care should be taken when looking at what had been called the lame duck industry.

"Let us be cautious about believing that every lame duck must live. Let us look carefully at the criteria and decide firmly whether the unemployment intervention and whether intervention is required by technology and prospects ahead."

"I take for granted that there will be a role for incomes policy, flexible and meant to last. There will be a role for industrial democracy within a legislative framework but with scope for voluntary agreement. Both sides of industry are blinkered if they fail to see and refuse seriously to consider what makes the best sense in the two areas of incomes policy and industrial democracy."

"The role of government is to seek to create a climate of success but what should be the role for public money in the private sector? How should we ensure that the Government plays a responsible but non-interfering role in industry?"

The SDP should do three main things: It should support for enterprise and risk-taking, especially in small

businesses; it should support research and development and innovation and it should as a government be prepared to back the winners in key areas of new technology.

The party should draw on the success stories of such government agencies as the Highlands and Development Board, Scottish Development Agency and the National Enterprise Board.

"There should be a four-point plan. There should be a revival of a regional policy, but we do not need to go back to the formulas of long ago. There must be new initiatives in the field of regional policy aimed at developing the consistent and stable policies which will succeed from one parliament to another."

Second, there must be an important role for the National Enterprise Board in picking winners. The NEB should report priority areas for growth, those with a prospect of being profitable and those with a prospect of contributing to Britain's future strength.

Third, there should be new financial institutions to channel funds to small businesses. Fourth, the party must look beyond the horizons that were familiar and look at new and emerging forms of industrial organisation.

"I see no reason," Mr

Rodgers said, "why, if the criteria are right and we are seeking to produce to meet public needs, we should not back cooperatives of one kind or another or community enterprise."

"We shall produce hard-headed, practical policies drawing directly from the experience of those who have made their lives in industry and in due course we shall build a genuine and unique partnership between government and industry."

Mr James Johnstone of Edinburgh said that there was a danger in some of the party's recent comments and speeches that the SDP would fall into the trap of becoming identified in the minds of the mass of working people as a Boy Scout alternative to the Labour Party or a smoked salmon pink version of the Conservative Party. He did not want the party to be either of those (applause).

The SDP had to show that it was not only an alternative governing party to the Labour Party but that it was better prepared to get rid of Mrs Thatcher than was the Labour Party.

Mrs Lis Berry, Strathclyde, said that universities should establish close links with industry but in the recent round of cuts it had been the technological universities which had been thoroughly "mugged".

The Government had singled out for virtual annihilation every university which had contributed most to British industry. She suggested that instead of the Byzantine quango of the University Grants Committee there should be a group of independent universities with at least 50 per cent of industrialists on it.

Mr Kenneth McDonald, Glasgow, said that there should be investment incentives on a massive scale but they should be scrutinised to make sure that such grants were not lost in speculative office buildings in South-East England.

Mr Jeremy Connell, Edinburgh, said there had to be specific and unequivocal moves on increased employee participation. Workers should have more say at all levels in their companies because their contribution was as important as the shareholders' investment.

Mr David Sainsbury, member of the national steering committee, said in replying to the debate that there was a useful and important role for government intervention to help the market to work better. But that should be measured not by its scope or extent but by its quality and effectiveness.

There was no policy which would suddenly transform industrial performance because the difficulties were too deep-seated. If industry was to survive there had to be changes in apprenticeship systems, the training of engineers, in industrial relations and in the tax treatment of savings invested in industry.

There would be no slowing down in the rate of technological change or the speed with which world markets were changing. The structure of British industry would have to be changed on a massive scale to sell British goods and that meant the country could not afford to prop up labour intensive industries that could not compete. Human resources would have to be invested in the new knowledge-intensive industries.

"I see no reason," Mr



The latest defector: Mr Bob Mitchell, MP

The defectors

Cheers for recruit to a growing queue

Mr Bob Mitchell yesterday became the latest Labour MP to leave his party and join the Social Democrats — and there could be more to follow. Last night Mr Tom McNally, MP for Stockport, South, and for the political adviser to Mr James Callaghan, was due to meet local party officials amid increasing speculation about his political future.

Mr Mitchell's move, which was greeted with rapturous applause when announced to the SDP conference, has been widely predicted since May when he said he would not seek re-election as Labour candidate for the constituency of Southam. He has represented since 1971.

He finally decided to follow the path already taken by 16 Labour MPs and one Conservative MP following last week's Labour Party conference in Brighton. "I have joined the Social Democrats because I want to carry on the fight against what I consider to be the worst government this country," he said.

Following the Brighton conference Mr Mitchell found himself widely at odds with the Labour Party on several crucial areas of policy. He is against unilateral disarmament, disagrees with import control and does not believe Britain should leave the Common Market without a referendum. He believes increased nationalisation would do nothing to solve unemployment. Although he favours getting rid of the House of Lords he wants it replaced with a democratically constituted body as opposed to relying on single chamber government which could be the first step towards a one party state.

"At Brighton the overwhelming majority of constituent parties—all very sincere people—were in favour of Mr Benn and his policies. I feel that the Labour Party in the Labour Party is inevitable and will continue to be inevitable." Mr Mitchell, who had been a member of the Labour Party for 37 years, said he would be willing to state in evidence to the SDP/Liberal candidate if required.

The conference also gave a standing ovation to a former

Labour MP, Mr William Hannan, who was introduced as one of the party's latest recruits. Mr Hannan, who was MP for Glasgow Maryhill, from 1945-74, said if he had any doubts about his actions he had only to recall the terrible scenes of disunity and of personal attack between comrades at the Labour Party conference.

Mr Hannan said he had no illusions about the personal attacks that would come, and about the charges of betrayal. The question was: who was betraying whom? He had found in the atmosphere of this conference something of the atmosphere of the early days of the Labour Party when they had tried to serve their ideals.

"If the problems are discussed in a rational fashion, in reasonable language, then there is going to be a greater hope for the future."

There was loud applause for the announcement that Mr Robert Mitchell, MP for Southam, Ipswich, had just joined the party. Making the announcement, Mr Mike Thomas, MP for Newcastle-upon-Tyne, East, said that the most impressive thing about the party's debates yesterday in conference was the contrast made between the conference of the old parties. At Brighton there had been blood letting, and next week in Blackpool there would be the iron hand in the flowered hat. In contrast there had been tolerance, open-mindedness and freedom.

The defection to the SDP of two Labour councillors from the London borough of Enfield was also announced. The Rev Alan Rogers, an Anglican clergyman, and Mr Len Carter, a clothing manufacturer, will be the first two SDP councillors in the borough. Mr Stephen Osborne, agent for the Enfield area party, said that there were about half a dozen other Labour councillors "waiting in the wings" and likely to join the new party in the next few months. The SDP, which has three hundred and fifty members in the borough, is concentrating particularly on the marginal parliamentary constituency of Enfield, North, which it has hopes of taking from the Tories in the next election.

Foreign affairs

Owen promises tough fight for a secure Britain

The Social Democratic Party was determined to uphold and safeguard the security of Britain and the free world, Dr David Owen, one of the joint leaders of the party, said when he opened a debate on foreign affairs.

He also said that withdrawal from the EEC would prevent Britain's economic recovery, and that neutralism and unilateralism leading to the weakening of Nato would threaten Britain's security.

The Labour Party believed that the policies of withdrawal and unilateralism were popular, and there would be some people even in the SDP, who would argue they should bend policies to fit that public mood.

For Social Democrats to back off from those issues and mislead the country would be disastrous, because it would deny the party's founding principles and destroy its election appeal.

Britain would be experiencing an economic and industrial decline by the next election, so the electorate would want a new government to be demonstrably tough-minded, hard-headed and resolute. It would not want a party of fudge and mudge, but neither would it want a mush and slush party.

"We are not a party of the soft centre. We must be one that is prepared to challenge public opinion, to persuade it, and win it round by the force of their commitment," he said.

Withdrawal from Europe would be a bruising, damaging and debilitating exit. The other member states would concede nothing to Britain that was not in their own interests and would feel that Britain had broken their trust.

Britain would find it far harder to sell the 59 per cent of its exports which now went to the market of the EEC and to the rest of the world. It would be a warning that every import restriction would be matched by a devastating effect on unemployment.

New investment would be damaged, and the Labour Party's firm commitment to withdrawal was dangerously irresponsible. Much of the opposition to the EEC within the Labour Party came from those who wanted to see a Marxist economy with accompanying state bureaucracy, restrictions, and regulations.

They rightly viewed the EEC as being incompatible with the dogma of their siege economy.

Turning to security, he said the SDP stood for peace and disarmament. Mr Michael Foot was not alone in wishing to be a peace-maker, but peace was not something that could be supplied off the shelf or sold from a political platform. It required patient effort, painstaking bargaining, determination, and give and take.

The superpower Britain had the most influence over was the United States, predominantly because they were partners in an alliance. But an American President would listen to a country in Nato which opted out of its obligations and undermined collective decision-making by making its defence decisions unilaterally.

If Britain wanted the Americans to negotiate seriously over Cruise and Pershing missiles, then President Reagan must feel that Britain would not present him with a negotiating position with the Russians.

It was essential that an SDP and Liberal government acted within Nato as a full partner. It should deal with the issue of deployment of Cruise missiles on its merits. It was to be hoped they would not be deployed but a judgment must be made in the light of the response from the Soviet Union and the Warsaw Pact countries.

As part of that overall negotiation, the SDP would urge a withdrawal of battlefield nuclear weapons because it was that strategy which was the danger. It could trigger a worldwide nuclear exchange, and that was why the party did not want to see the neutron bomb deployed, because it did not lower the nuclear threshold.

The SDP was deeply committed to arms control and disarmament, but it must try to force a higher priority from all governments to reduce nuclear arms.

Dr Philip Ashmole, Borders, said the SDP/Liberal government of 1984 should lead the world into a programme of reciprocal nuclear disarmament, based on the gradual extension of nuclear free zones. Britain, because of the leverage it could exert on the United States and EEC countries, was in a unique position to start step-wise reduction of battlefield and theatre nuclear weapons in Europe.

Miss Lesley Standing, Lanark, said the SDP and Liberal should set up a programme to enable government and industry to work together to encourage development and prosperity in the third world.

Mr Keith Kyle, Central Region, said the SDP was a party with a heart, but did not let it rule the head. It must work for real, world-wide disarmament with real peace. So long as Britain's institutions and democracy were threatened, they must be defended.

Lord Kennet said there were grounds for hope that economic factors might force countries into nuclear disarmament. The alliance should go bull-headed, without any deviation, for a multilateral disarmament government. There should be a Nato proposal to that end.

Mr Colin Deans, Grampian, said Britain could not afford in the short term to commit itself to Trident. "I am asking for leadership to work, work for peace, for God's sake," he said.

Mr Clive Lindley said that if Britain went unilateral, the United States' allies would make the simple deduction that Britain had gone soft on liberty.

The policy of unilateralism was absurd and not worthy of consideration by a serious modern political party.

Mr Keith Kyle, Aberdeen, said that last week at the Labour conference yesterday's men had decided to try to reverse the tide of history and reestablish the frontiers round Britain's national state within a rational and sane world.

The reason they had given was that the next election would constitute a referendum on the EEC.

Mr Charles So, and if it appears that it will be a logically and morally impossible for any supporter of the European Community to remain a member of the Labour Party" (Applause).

Mr Christopher Brocklebank-Fowler, MP for Norfolk, North West, replying to the debate, said the Third World countries were profitable customers in terms of Britain's balance of payments. They had been an important source of raw materials and had historical ties with Britain.

The Third World had a big role to play in bringing the world out of the deepest slump since the 1930s. The Opec countries had huge surpluses of cash and the industrialized countries had surplus capacity. With investment in the Third World, countries there would be a real chance for British firms.

SDP policies must reflect the new interdependence of the world and they must move away from protectionism to encourage free trade. It was a disgrace that the Foreign Minister was not playing a leading role in international negotiations leading to the Mexico summit.

Croydon NW

Harsh barbs for the alliance

By David Nicholson-Lord

The first formal by-election test of the Liberal-Social Democratic alliance got under way in Croydon North West yesterday with both Conservative and Labour candidates aiming their harshest barbs at the alliance man, Mr William Pitt.

At press conferences to launch the campaign, Mr John Butterfill, the Conservative prospective candidate, described the alliance's chances of success as "negligible" and labelled Mr Pitt, who has contested the seat several times as an unallied Liberal, as "a seventies loser facing his eighth defeat."

Mr Stanley Boden, the history teacher who has been the Labour runner-up in the constituency in the last four general elections and who is now running under the slogan "Stan's Your Man", accused Mr Pitt of pushing the same "irrelevant parish-pump programme" despite his change of ticket.

In reply the Liberals brought in Mr Jo Grimond, the apostle and latterly statesman of realignment, who said the emergence of the alliance was the best thing to happen in British politics for 50 years. Within three years, Mr Grimond added, it would either be forming a government or holding the balance of power.

Folling in the by-election, caused by the death of Mr Robert Taylor, the sitting Conservative, is on October 22, with



William Pitt



John Butterfill



Stanley Boden

nominations closing on Thursday. By then the constituency, despite its unprepossessing suburban blandness, will be assured of a place in history.

That is because Mr Pitt's ballot papers will be the first since the formation of the SDP to include the word "alliance", although the rest of the wording has yet to be decided. At Warrington in July Mr Roy Jenkins was merely "SDP with Liberal support".

The first controversy yesterday concerned the sounds of high optimism emanating from the Tory camp. After Mr Butterfill spoke of the best start in memory to an election campaign in the constituency, Mr Andrew Young, his agent, caused some confusion among his colleagues by apparently off-the-cuff remarks about private voting research.

That Mr Young was reported as saying indicated 60-40 per cent voting Conservative, with Mr Pitt picking up "something under 10 per cent."

Mr Peter Chegwyn, Mr Pitt's agent, immediately described the claims as "so unrealistic as to be ludicrous" and pointed out that they were far removed from yesterday's Market and Opinion Research International (MORI) poll in the Daily Star, which showed the alliance running neck and neck with Labour, the latter having crept fractionally ahead.

The poll put Labour support at 36 per cent, with the alliance 34 and Conservatives 29, but an analysis of those describing themselves as certain to vote—half the sample—gives the alliance a four-point lead over Labour, 37 per cent to 33 per cent, something not mentioned in the Daily Star report.

According to the Liberals, the alliance locally is firmly cemented.

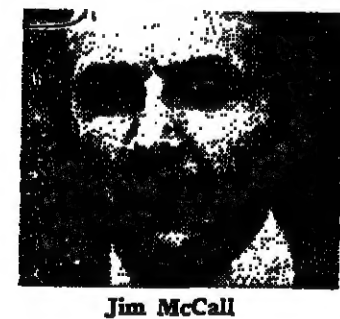
Conference agenda

□ The SDP conference moves to Bradford for today and tomorrow. Among the matters to be discussed are:

Today: Unemployment (Shirley Williams); housing. Tomorrow: Industrial relations (William Rodgers); regional policy.

Making of a party

Disillusion into enthusiasm



Jim McCall

Many of the 700 delegates who crowded into Perth City Hall for the first of the SDP's rolling conference were actively working for other political parties only months ago and some of them have never voted in their lives.

They have been brought together by a common disillusionment either with the parties they once served or the traditional two-party political system and now share a contagious enthusiasm for the future.

Of the Perth delegates about 10 per cent were Scottish. Many of the rest, who come from all over Britain, have taken holidays and are following the show as it heads south to Bradford and London. A random sample gave the following comments.

MR IAIN MACCORMICK, Scottish National Party MP for Argyll from 1974 to 1979, now the SDP's Scottish press officer. Predicts more defections from the SNP, of which his father, John, was a founder member. He thinks the Social Democrats offer the best hope of arriving at the "sensible workable system of devolution" for which his family have striven, as the SNP has been taken over by a group of left wing fanatics and is set on establishing a Scottish

socialist republic and encouraging civil disobedience to achieve its ends.

MRS ELLEN SULLIVAN, former Labour member of Cumberland Town Council and candidate at East Renfrewshire in the 1979 general election. Comes from a Glasgow working class background and is a mother of three. Now an SDP activist speaking from public platforms as "the Labour Party is going to destroy itself and I have no wish to be part of that destruction."

MR JOHN BRADY and his son Scott, both former Labour Party activists and on the general management committee of Dundee West Labour Party. Joined the SDP the day it was formed and stewards at the conference. Concerned at the infiltration by extreme left-wing elements of the Labour Party they see the SDP "as leading the way forward to reconciliation."

MR KIRBY ROBINSON was treasurer of Newcastle East Labour Party. Joined the SDP when his MP Mr Mike Thomas moved over. Now rainvigorated by politics "people want to talk about the issues with us. It is a stimulating experience."

MR JIM MCCALL, aged 33, Tory voter and campaigner.

Now vice-chairman of the West of Scotland SDP, having joined the first day because of increasing disillusionment of the seeming lack of humanity in the Conservative Party and desertion of the principles of One Nation. Has had to lay off workers at his publishing company.

"The drift to extremism in the Tory Party has become too great. I object to the fundamentalist dogmatic approach that Mrs Thatcher is guilty of."

MR KEN MACDONALD, Conservative voter at last five elections. Runs a Glasgow taxi company. Hopes the SDP will reduce class antagonism. Present government policies show "a lack of understanding of the problems ordinary people face."

MR BRIAN HARTLEY, a chartered accountant from Wokingham, Berkshire. Attending all three SDP conferences. "I have never voted. This party has captured my imagination and changed the habits of a life time."

MR CLIVE LINDLEY, former Labour parliamentary candidate, now chairman of the SDP's membership services and development committee. "This party is full of achievers, people who are enthused by the prospect we offer and are setting out to do something about it."

MR JIM MCCALL, aged 33, Tory voter and campaigner.

Decentralization

Commitment to Scottish Assembly

If the SDP formed a government with the Liberal Party they would establish a Scottish Assembly at the earliest possible date. Mr Robert Maclellan, MP for Carlisle and member of the party's Scottish committee, said in a debate on the decentralization of government.

The SDP's fundamental commitment was to the principles expressed in the party's constitution for the creation of an open, classless and more equal society. One of the greatest inequalities today was between the different geographical parts.

That inequality stemmed from the decline of the traditional industries in the old urban areas such as shipbuilding and steel. Those scarifying changes had not been made good by the introduction of new industries in developing parts of the country.

The party would not achieve a more open, classless and more equal society until it had rooted out that industrial imbalance. People in Scotland were particularly conscious of the need for a change. All over Scotland industries were closing, damaging the fabric of society and undermining the prospects for people beginning their working lives.

The SDP commitment to decentralization was among its most important policy priorities. Its case rested firmly on the belief that government decisions should be taken as closely as

possible to those who were affected by them.

That view was permeating not only the SDP's approach to its own affairs but its firm commitment that it must have as much say in the running of the country as the Labour Party.

The pull of the centre remained strong and unless it was reversed there would be no two nations but one large contribution of an area remote from London and spreading industrial wilderness.

The SDP proposal to tackle constitutional change was more radical than had been proposed by either of the old parties.

The case for decentralization of government was irresistible and would need a big constitutional change. That would involve the second chamber, a possible bill of rights, a review of local government structure and above all, decentralization.

"We shall not make the mistake of seeking to impose a further tier of government in an already complex structure of government. Our commitment to establish an assembly in Scotland will involve the need to reorganize and reform local government as well."

"The question we have asked

is: Do the Scots need to wait for the English to form this kind of government? The functional case for decentralization is as strong in Lancashire as in London."

"We shall put our best efforts into making the joint constitutional commission we are in process of setting up with the Liberal Party to achieve a settlement of this constitutional issue which is designed not to appease fleeting political pressures but to transfer and disseminate influence throughout Britain."

Mr Ian Macdonald of Clackmannan, who wished to make a simple plea for a commitment to a strong policy of devolution in Scotland. There was a current of national feeling running very deep in Scotland. The party would ignore it at its peril.

Mr John Roberts of Ham-macsmith and Fulham, said there should be a parliamentary bill to set up a Scottish assembly. It should be restricted to binding the Parliament to set up the assembly with tax-raising powers.

Mr Peter Duncan, Northern Ireland, said that there must be an arrangement which would deter national governments from interfering in the affairs of proposed national and regional assemblies.

Mr Terence Miller of Fal-mouth, former principal of the University College, Rhodaia, and of North London Poly-technic, suggested that,

devolution should not extend to higher education. Nobody would object to the decentralization of the control of primary and secondary education but higher education was not merely a matter of local, but an international affair.

The University Grants Committee had been an admirable organization when there were 20 universities and there were conditions of relative stability but now there were 46 universities, 30 polytechnics and many large colleges.

"The present system is not efficient anymore and the SDP should quickly develop a policy which will plan the whole composite picture of higher education for the country. That cannot be done on a purely local basis."

Mr Stephen Yead, Dundee and Angus, shared the view about the need for a Scottish assembly but had reservations about the head in the English regions. There was a strong national sense of identity and of remoteness from Whitehall in Scotland but he could not see that regional feeling in England generally.

Mr Mike Thomas, MP for Newcastle upon Tyne, East, said in winding up the debate that there was a need to regenerate interest in local government and local democracy. The party had to ensure that what was proposed was practical and would not simply add more bureaucracy.

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Warship sale to Chile provokes protest by Labour

By Henry Stanhope, Defence Correspondent

The Government is steering into a political storm by deciding to sell a naval destroyer and a fleet tanker to the right-wing regime in Chile.

The sale, which was agreed in a letter of understanding last week, is the first to result from the recent defence review, which ordered a curtailment of the Royal Navy's surface fleet.

The ships are the 6,200-ton destroyer, Norfolk, and the Royal Fleet auxiliary oiler Tidespool. They are to be delivered to Chile by early next year.

The Norfolk, completed 11 years ago, was the first warship in which the Prince of Wales served after his shore training at Dartmouth. Its weapons include Sea Slug and the Sea Cat anti-aircraft missiles, Exocet anti-ship missiles, two 4.5in guns and a Wessex helicopter.

The Tidespool is a 27,400-ton fleet tanker, built 18 years ago, with a hangar big enough to accommodate up to four helicopters. Chile has two Leander class frigates in its navy, and two Oberon class submarines, delivery of which caused political controversy several years ago.

Britain traditionally takes a pragmatic attitude towards arms sales, judging each on its merits and proceeding only after the Foreign Office has been consulted.

Whitehall sources say human rights issues were taken into account before it was decided to go ahead with the sale in the face of allegations that political prisoners in Chilean jails were being tortured.

But a destroyer and a

supply vessel were considered as hardly the kind of weapons that could be used by an oppressive government in a counter-insurgency role.

HMS Norfolk is among the last of the County class destroyers, sometimes regarded as tantamount to small cruisers. Her crew of 485 men however makes a heavy demand on manpower in these days of stringent economies.

Other British vessels that are up for sale include one of the Invincible class of aircraft carriers, probably Invincible itself, which is equipped with Sea King helicopters and Sea Harrier vertical take-off aircraft.

The Australian Navy heads the list of fleets interested in acquiring the Invincible at a cost of about £175m, which is what it cost the Navy to build and equip the vessel. A number of officers believe that by offering the ship that price the Government is underestimating its own interests.

Sources yesterday declined to estimate the price the Chileans are paying for the Norfolk and the Tidespool. But a new destroyer of the size and capabilities of Norfolk would certainly cost much more than £100m at today's prices.

Mr Brynmor John, chief opposition spokesman on defence, said last night that the proposed deal with Chile was "monstrous and totally unacceptable" (Richard Evans writes).

Chile has one of the most reactionary and cruel governments in the world. This is salesmanship without morality and it is bound to lower the standing of Britain in the world," he said.

Goodman gets apology and damages for libel

Lord Goodman, the solicitor, today accepted "substantial damages" in settlement of a High Court libel action against the satirical magazine, Private Eye, over a suggestion that he was a homosexual and for another equally false allegation.

Lord Rawlinson, Council for Lord Goodman, said the editor, Mr Richard Ingrams, and publishers Pressdram Ltd, now recognised "the iniquity" of what they did.

In the issue of Private Eye for January 18, 1980, Lord Rawlinson said the defendants made two references to Lord Goodman (who is Master of University College, Oxford). The first was in an article about a fellow of University College who was also one of the college officials. The article made a number of extremely serious allegations about that gentleman and about his conduct as an official of the college, and then went on to suggest that Lord Goodman had recommended him to the Queen for a post at Windsor in order to get rid of him.

In a later column, Lord Rawlinson said the defendants admitted that the publication of that article had been a disastrous mistake and they acknowledged that the allegations they had made against the gentleman concerned were "scandalous, vicious and totally false. They now recognise that the same was true of what they said about Lord Goodman."

The second reference to Lord Goodman was in the "Groovy" column of the magazine, where it was alleged that Lord Goodman "haunted" an hotel in north Oxford with young under-21s (friends). That was a plain suggestion that Lord Goodman was a homosexual. Again, both the story and its accusation of impersonation were completely and utterly false.

Lord Goodman has over the years been one of Private Eye's favourite targets and he has patiently endured a stream of

personal abuse in its columns. The allegations complained of in this action, however, were so completely untrue that the foundation or excuse that he felt compelled to act upon them. Accordingly, with consideration that he was a homosexual and for another equally false allegation.

The defendants now recognise the iniquity of what they did. The publication of that article had been a disastrous mistake and they acknowledged that the allegations they had made against the gentleman concerned were "scandalous, vicious and totally false. They now recognise that the same was true of what they said about Lord Goodman."

The defendants also gave Lord Goodman an undertaking never to repeat the allegations complained of and they agreed to pay him a substantial sum in damages (which he will donate to charity) and costs. In a letter to Lord Goodman, Lord Rawlinson is content to let the matter rest.

Mr Desmond Browne, for the defendants, said: "On behalf of both defendants I confirm everything that my learned friend has said. The allegations the defendants made against made against Lord Goodman were not only completely false but were made without any shred of evidence to support them."

The defendants acknowledge their conduct was inexcusably irresponsible and that wholeheartedly apologise to Lord Goodman for what they did. Through me, they express the sincere hope that the terms to which they have agreed and which my learned friend has recited to your Lordship will, as far as possible, make amends to Lord Goodman."

Five nurses face 25 charges

Four nurses and a former nurse from Rampton special hospital appeared before magistrates at Mansfield Nottinghamshire, yesterday on charges of assaulting, beating and ill-treating patients.

Mr Roger Maitland, for the Director of Public Prosecutions, asked the magistrates to commit the five men to Nottingham Crown Court for trial. Barristers representing the accused claim that there is no case to answer.

The five men, who together alleged to have been committed between 1977 and 1979, are Anthony Blackburn, aged 22, a former student nurse, Robert Bogshaw, aged 29, a state-enrolled nurse, Alan Starkey, aged 26, a staff nurse, and Cyril Brown, aged 47, and Brian Holmes, aged 44, both charge nurses. All gave their addresses as Rampton hospital.

Another case against four other Rampton nurses was adjourned until next Thursday, when committal proceedings are expected to begin. The nine men between them face a total of 40 charges.

GENERAL'S WINES 'IN HORSEBOX'

Vintage wines and port belonging to Major-General Henry Salusbury Leigh Dalzell Payne, former GOC 3 Armoured Division BAOR, were smuggled into Britain, Maidstone Crown Court was told yesterday.

Thirty-five cases valued at more than £2,000 had been hidden in an army horsebox which arrived at Dover from Germany, it was alleged.

Some were for the general's consumption at the Cavalry Club and others were to be sold at Sotheby's, Miss Nikki Saville, for the prosecution, said.

In the dock was Staff Sergeant Brian Proctor, aged 49, the general's house sergeant, who has denied he was knowingly concerned in a fraudulent attempt at evasion of duty on 35 cases of vintage wine and port, contrary to the Customs and Excise Management Act 1979.

Miss Saville said Sergeant Proctor, of the Blues and Royals, accompanied the general's wines and port in the horse box, which arrived at Dover on March 17, 1980.

Mr Alistair Buckle, a customs officer, said that when he asked Sergeant Proctor why he had not declared the wine, he said: "I cannot tell you that. All right, I made a mistake. I do not know what made me do that. I was just being clever."

Mr Buckle said that after he had opened some of the boxes Sergeant Proctor produced a blank cheque made out to the Customs and Excise, dated the previous day and signed by the general.

The trial continues today.

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The plight of Britain's youth: a Times investigation, part one

There are rival diagnoses of the condition of Britain's young. To some they are violent, offensively dressed, uncouth, insubordinate, hedonistic and profane, a lost generation. Others see much idealism in them — helping the old, working for charity, singing "Land of Hope and Glory" at the last night of the Proms. Yet there is one sense in which they represent incontrovertibly a "lost" generation: only one in two can find a real job.

Until the summer of '81 both sides would have agreed that youngsters seemed to be tolerating this level of idleness satisfactorily, with either pleasure or stoicism. The riots put paid to that. They hardened attitudes to the young among adults. They also released a new flood of theories about what the young think, and why they do what they do.

The Times therefore set out to investigate young people's attitudes, not only to

work or the lack of it, but also to their parents, their country and their education, and to violence, race, religion, politics, and the future.

It also commissioned an independent opinion poll which put to nearly 600 young people, chosen to form a fair cross-section of their generation, questions that were in part formulated by preliminary discussions with the youngsters themselves.

A North-South approach — in Newcastle

upon Tyne and Croydon — was adopted to find out what difference northern experience and south-eastern experience of high unemployment made to social attitudes. Some key questions were put to a national sample of the same age group as a check. Comparisons were also made with findings from a youth survey two years ago and from an opinion poll of the whole adult population.

DAN VAN DER VAT reports.



Meeting of the generations, Cradley Park shopping centre, Newcastle upon Tyne.

A generation on the losing end —and lost for words

This generation of 15-24-year-olds is distinctly confused. It is not very worried about class, it is rebellious, but not in the accustomed way — that in which challenging and questioning the established order at least maintains contact with it, however combative.

The new rebelliousness has a negative cast that frightens many older people. Much of it is clearly intended to do so, or at least to deter, so that they too turn their backs, a rejection in answer to rejection. In form the rebelliousness may be sartorial, or musical, or incoherently verbal, whether via graffiti or underground magazines.

What alarms many adults most is, of course, the casual violence. In western-European terms at least, it is peculiarly British. It is British football fans who stab Swiss knives after a match, who loot German supermarkets and terrorise Spanish cities. Hoodlums sully the reputation of British football and of Britain itself in a way unknown to comparable countries.

Crime, especially violent crime, is growing exponentially among British youth, much of it associated with drunkenness, vandalism, or violence against the innocent, usually public utilities. It is a young person's offence.

It is often overlooked that so much of youthful violence in Britain is aimed at other young people. If you are young you can be attacked simply because your assailant does not like the cut of your hair, instead of, or as well as, Teddy-boys or Mods and Rockers we have skinheads and punks and neo-romantics and soul-people and Rastafarians.

Each of these so-called subcultures can be seen as catering for the dominant element in the personality of its adherents. Thus skinheads are aggressive and authoritarian, good material for fascism; punks, who are not necessarily violent, turn their backs on society, and dress not to kill but to repel. Neo-romantics are dreamy and inclined to escapism; the new Teds are narcissistic. By their clothes and haircuts shall ye know them.

Crucial to all of this is education, of which young people are highly critical. As this will be shown in these articles, only one aspect need be dealt with here — the standard in English attained by the great majority of the young. Language is, after all, the tool they must use to communicate with the largely indifferent adult world they are entering from the sheltered environment of home and school.

To those who know it well, English offers unique riches in flexibility of idiom and vocabulary. All this appears to have been concealed from the average British youngster. It has been painfully depressing to listen to so many young people trying vainly to express a deeply felt view. Often it was simpler to divine an attitude from the degree of agitation or agitation shown.

They did not say much that lent itself to quotation. Are we to put all this down to a failure to pay attention during English lessons?

One would now have to be rarely fastidious to be upset by the profanities with which so many British conversations are interlarded. This kind of linguistic violence is a substitute for clear thought clearly expressed. We turn out a unduly high proportion of linguistic cripples. They have learnt it from their elders, who perhaps should not be so surprised that a youth who can neither find a job nor the words to help him get one may feel driven to kick parked cars or even policemen.

Today's young generation is thoroughly confused. It is not very worried about class, it has no heroes. Linda, aged 17, said in Newcastle: "There's nobody to admire." She also said: "There's nothing to believe in." She is doing A-levels.

The views of whites on race relations are far from liberal (blacks did not talk about it much to a white reporter and what they said was defensive) and are based on sordid misinformation. It is commonplace to believe that there are more than ten million blacks in Britain (there are in fact about 2.5 million). In Croydon Trevor, aged 19 and unemployed ("all my mates are unemployed"), said he had an Anglo-Indian friend whom he did not regard as "black" and whom he liked a lot. "But I would kick him out if it meant I got a job."

Young people are not television-addicted. They seem to be highly critical of the medium, dismissing much of its output as boring. Yet they also seem easily bored and not very good at entertaining themselves.

Their constant complaint to me was that "there is nothing to do, or if there is, it costs too much." Cinema prices are outrageous; you have to pay to use sports facilities; there

is nowhere to go but the pub and that is a rip-off too; would-be pop stars complain that their bands actually have to pay the owner of an establishment for the privilege of entertaining his customers.

Those concerned about the survival of British democracy ought to be concerned about the low level of interest in politics, among the new generation. To find so much apathy among people of this age is alarming.

So is the amount of resignation on view, of which there was distinctly more in Newcastle than in Croydon. Violence born of frustration and incoherence is still very much a minority pursuit; far more young people not only believe their future is bleak — they also appear to have given up the idea of trying to better their lot. Ambition is confined to the upper end of the social scale, yet is lacking in rather a lot of those with a good start in life in terms of education and privilege.

There is a perhaps surprising readiness to follow parental advice, among today's young people, who also tend to favour tougher laws and to sympathize with the difficulties of the police in a way which ought to be a pleasant surprise for Sir David McNeer after Brixton and Mr Kenneth Oxford after Toxteth. But young people do actually need to be told what to do; it may be because so much of authority has abdicated its responsibilities in recent times that they show such a clear appetite for it.

In the end every conversation came round to the one great overriding topic: work and the lack of it. It is undoubtedly uppermost in their minds — whether they will get a job; whether, having found one, they will keep it; whether it will bring them satisfaction and the money to do what they want to do. No prompting was ever necessary. It always came up spontaneously and from them.

The nub of the problem is that there are almost no jobs at all for the academically unqualified and those best suited for manual work. The lesson seems to be that if Britain does not do something drastic about this very soon, in months rather than years, it will be saddled with an unemployed, unemployable, Lumpenproletariat, capable only of causing social problems.

The legion of the lost could easily become a cohort of the damned. The evidence is disturbing: please read on.

Unemployment is the overriding issue

Unemployment and the threat it represents to themselves and to British society loom very large in the minds of the young generation most exposed to it, according to the MORI attitude survey commissioned by The Times.

A contemporaneous MORI poll of a representative sample of the population as a whole showed that 67 per cent thought unemployment was the major issue facing the country.

When our sample was asked What would you say is the most important issue facing Britain today, 74 per cent said unemployment; 83 per cent said so in Newcastle compared with 65 per cent in Croydon where the problem is half as bad. The second most important single issue mentioned was inflation, given by a mere 6 per cent of the sample (but by 9 per cent of the national youth sample and 14 per cent of the population sample).

The supplementary question, And what other issues do you think are particularly important in Britain today, took the total of those regarding unemployment as a major issue to 83 per cent. Prices were mentioned by 33 per cent.

Some 62 per cent of the sample took the view that the street riots this year were caused principally by unemployment (a view shared by 52 per cent of the national population, and 56 per cent of the national youth sample). Only 26 per cent blamed racial tension, and police conduct was blamed by 17 per cent (23 per cent in Croydon but only 11 per cent in Newcastle; Croydon, it should be noted, borders on Brixton).

Unprompted, the respondents blamed the Government more than any other factor when asked What do you think is the main cause of unemployment in the country as a whole? (see table). The world situation was blamed by 15 per cent, immigrants by 10 per cent, and new technology by 9 per cent.

One of the saddest results to emerge from the question on the effects of being out of work is the fact that 28 per cent felt themselves to be a burden on their families. Shortage of money, best described by a short head as the most serious direct effect. In Newcastle 59 per cent put difficulty in making ends meet at the top, in Croydon 45 per cent.

At the time of the survey 57 per cent of the respondents were not working, 36 per cent were working more than 30 hours a week (45 per cent in Croydon but only 27 in

Newcastle) and 6 per cent less than that. Of the entire sample, 28 per cent were available for work but unemployed (two years ago it was 9 per cent, according to MORI); 28 per cent is more than double the figure for the nation as a whole. Of those in work, 45 per cent said they had been unemployed at some stage since leaving school.

Of all of those who had experience of unemployment, 9 per cent said they had been out of work for more than two years; and a further 15 per cent for more than one year. Another 26 per cent had been jobless for more than six months, while 47 per cent said they had been out of work for up to six months.

Twice as many in Newcastle (12 per cent) as in Croydon had been unemployed for more than two years, and nearly three times as many (20 per cent compared with 7 per cent in Croydon) for between one and two years. The average period out of work in Newcastle is more than twice as long as in Croydon.

All were asked whether they had a close relative (spouse, parent or sibling) unemployed at the time: 31 per cent had; 33 per cent had a relative out of work during all, or part of the previous year.

Those in full or part-time work were asked what they thought of their jobs: 37 per cent were very satisfied and 42 per cent fairly so, against 11 per cent dissatisfied. It is not possible here to distinguish between job-satisfaction and satisfaction at being in work at all.

The motivation to work seemed fairly high. Asked whether they would work even if they had a private income making it unnecessary to work, 23 per cent of respondents said they would while 20 per cent said no.

The sampling found a clear majority in favour of the Youth Opportunities Programme (YOP), the Government initiative to give young unemployed a taste of working life.

Reacting to the statement, The Youth Opportunities Programme is just to keep young people off the streets, 60 per cent agreed while 31 per cent disagreed. But The Youth Opportunities Programme provides useful experience for young people was a statement approved by 67 per cent with 22 per cent against. The Government's own surveys show an 80:20 ratio of approval over disapproval.

Two thirds of the sample were opposed to compulsory military service (41 per cent strongly opposed) and only one quarter (25 per cent) in favour. The idea of compulsory community service was more gently but still firmly rejected, with 49 per cent against and 32 per cent in favour.

Asked, How likely do you think it is that when you are 30 you will have the sort of job you would like, 24 per cent thought it very likely and 33 per cent fairly, compared with 20 per cent fairly unlikely and 17 per cent very unlikely. This was the least pessimistic answer we got to questions about respondents' views of the future.

Only 21 per cent of the sample, which included many still at school, agreed with unionists (compared with about 50 per cent for the entire national labour force in work). The accompanying table shows two-to-one majorities in favour of unions but against the closed shop. More than half thought they were too powerful; only one in five thought they did enough for youngsters.

UNEMPLOYMENT: CAUSES AND EFFECTS

What do you think are the main causes of unemployment?	All	Nile	Croy
Government/Conservative party	31	33	29
World situation	10	12	8
Immigrants/BSE	10	11	9
New Technology/microchip	9	5	12
Trade unions/union leaders	3	3	3
The workers/workforce	3	1	4
Management	2	3	1
Common Market/EEC	2	3	2
Other reasons	26	23	28
Don't know	13	16	10

Experience of unemployment:	%	%	%
More than two years	15	12	6
More than one year	17	21	7
More than six months	25	28	26
Up to six months	49	41	59

Which two or three unpleasant aspects of being unemployed are the most serious?

Difficulty making ends meet on benefit	%
Not enough to live on	52
Burning into debt	48
The longer you are unemployed the harder it is to get a job	38
Losing the will to work	29
Feeling a burden on the family	28
Hostility from people who think jobs are lazy	19
Signing on at unemployment exchange	11
Embarrassment with friends and neighbours	7
None/don't know	2

BASIC POLITICAL ATTITUDES

Are you satisfied/dissatisfied with:	satis	dissatis	don't know
The Government's running of the country	17	70	13
Mr Thatcher as Prime Minister	20	66	14
Mr Foot as Opposition leader	33	32	35
Mr Steel as Liberal leader	25	36	49

ARE TRADE UNIONS NECESSARY?

Do you agree or disagree that:	All	Nile	Croy	All
Trade unions are essential to protect workers' interests	67	73	63	19
Everyone who works should have to belong to a trade union	37	26	9	67
Trade unions have too much power in Britain today	55	52	57	31
Trade unions do not do enough for young people	44	55	33	19

A different mix of political attitudes

On law and order many of the younger generation show decided — not to say authoritarian — views, yet also exhibit a significant degree of tolerance towards violence. The level of interest in politics, however, is very low. Only 4 per cent pronounced themselves "very interested" in politics, with another 30 per cent, saying they were "fairly interested." Those "not very interested" amounted to 37 per cent and those "not at all interested" to 29 per cent.

There was a positive interest in other words, are outnumbered by two to one. (As many as 72 per cent of the sample felt they had not been taught enough about Government while still at school.)

Invited to react to the statement, Most politicians are sincere and want to serve the community, 39 per cent agreed, on 38 per cent disagreed; on Most politicians don't care about what people like me think, 41 per cent agreed and 41 per cent disagreed; faced with the proposition, Neither the Conservative nor the Labour Party represents the views of people like me, 41 per cent agreed while 33 per cent disagreed.

Young people's political attitudes differ markedly from those held by the population as a whole. Only 19 per cent support the Conservatives (against 30 per cent of the whole population), 59 per cent Labour (39), 7 per cent the Liberals (13), and 13 per cent the Social Democrats (16).

MORI put to the sample a number of contentious statements on live political issues, with curiously mixed results. Only 28 per cent agreed with Abolish the House of Lords (23 per cent of the national population) while 49 per cent were opposed (55). Reinforce the death penalty got the agreement of 55 per cent (71) with only 38 against (23).

The young may not be as conservative as their elders, but they are conservative in those respects. At the same time they have radical views on other issues.

Withdrawal British troops from Northern Ireland was supported by 67 per cent (59 per cent of the national adult population), with only 21 per cent disagreeing (29).

Take Britain out of the Common Market won support from 52 per cent of the young (54), with only 31 per cent

opposed (32). Feeling against the EEC was markedly stronger among the young in Newcastle (56 per cent) than in Croydon (47 per cent).

Unilateral nuclear disarmament was favoured by 48 per cent of the young (33) and opposed by 43 per cent (57).

Several clear answers were given to questions on violence, even if they are not easily reconcilable. The statement, There is too much violence on television, was rejected by 56 per cent; only 28 per cent agreed.

The use of violence is sometimes justified in bringing about political change proved acceptable to no less than 30 per cent, while an unspectacular 44 per cent rejected the idea — figures unchanged since last measured in 1979. This is not the same as saying that nearly a third are prepared to be violent for political reasons, but awareness of such a degree of tolerance may serve as a check on complacency.

At the same time no less than 81 per cent agreed that There should be harsher sentences for violent crime and vandalism. Only 10 per cent disagreed. A total of 70 per cent thought that the

police should use whatever force is necessary to maintain law and order; 28 per cent disagreed. Arming the police was rejected, by 51 per cent to 40, as was the idea that the police were prejudiced against young people (47 to 34).

Police handling of the street riots was dismissed as "too soft" by 43 per cent; only 12 per cent thought it "too tough" while 40 per cent thought it "about right."

The monarchy enjoys support: 68 per cent thought The Queen was doing a first-rate job, against 20 per cent who disagreed. On the other hand the Queen's family was clearly regarded as rather overextended: 61 per cent thought there are too many hangers-on in the Royal Family while only 24 per cent disagreed.

On the whole, the tendency towards authoritarianism tends to wane with additional years (52 per cent of 15-17 year-olds supported the arming of the police against 33 per cent of those aged 20-24), while sympathy towards political violence increases as you go down the social scale (23 per cent from the upper middle class, 35 per cent from the unskilled working class).

Tomorrow: Home and school; Riots; Race

This survey was conducted by Market & Opinion Research International (MORI) on behalf of The Times among a representative sample of 294 respondents in Croydon and 291 respondents in Newcastle upon Tyne aged 15-24. Fieldwork was conducted August 20-September 2 1981. National comparisons are from a MORI survey conducted for The Times among 1,775 adults also August 20-September 2 1981. Sample surveys are of course subject to tests of statistical reliability. In this case, the results from the sample of 585 young people whom MORI interviewed are accurate to within approximately 4 per cent (plus or minus) of the results if all young people in Croydon and Newcastle had been interviewed. When comparing the two samples, Croydon and Newcastle, a difference of less than approximately 5 per cent would not generally be thought statistically significant, 19 times out of 20.

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Top military chief joins attack on MX missile plan

From Nicholas Hirst, Washington, Oct 5

Air Force General David Jones, chairman of the Joint Chiefs of Staff, the top military officer in the United States, today launched a strong attack on President Reagan's decision to base MX missiles initially in super-hardened silos.

Giving the first evidence on Capitol Hill since the President's announcement of his \$108,300m (150,000m) strategic nuclear weapons package on Friday, General Jones said he had recommended the "race track" system of protecting the missiles against a Soviet strike chosen by former President Carter.



General Jones: Hardened silos not good enough

That would have shuttled 200 missiles on a rail network around 4,600 shelters in the Utah and Nevada desert.

General Jones told the powerful armed services committee he had been unable to convince either President Reagan or Mr. Caspar Weinberger, his Defence Secretary, that a mobile basing system was the best way for the system to survive an attack.

"I remain to be convinced that hardened silos would give survivability," he said.

General Jones was appointed by President Carter, but was given another two-year term by President Reagan soon after he came into office in the face of opposition from some conservative Republicans who wanted a new man.

His comments give ammunition to congressional critics of the MX proposal. Congress must vote the money to allow the plan to go ahead.

Already in difficulty over its sale of Avco's early warning radar aircraft to Saudi Arabia, the administration faces sharp questioning on its MX decision.

The administration is to put about 36 of the new MX missiles in hardened silos, less accurate Titan and Minuteman weapons and to study how to base the MX in the long term.

The first MX missiles should be ready by 1985 and it is hoped that 100 capable of carrying 1,000 warheads will be in position by the end of the decade.

Solidarity angry over cigarette price rise

From Dena Trevian and Denis Taylor, Gdansk, Oct 5

The uproar over cigarette prices at the Solidarity national congress last night demonstrated the power of the independent trade union movement and the continuing inability of the Government to make the mood of the country into account.

The furor over the doubling of tobacco prices on Saturday showed that no decision can be made without prior consultation with the 10 million-strong union.

The Government did not back down, but a way out may be found by negotiating compensation in wage packets to cancel out the effect of the rise.

Even though it is part of the agreed economic reform programme to introduce market criteria — which inevitably means increases in consumer prices — the timing of the Government announcement seemed inexplicable. Poles are heavy smokers and, according to official statistics, come fourth in the world league with an annual consumption of 2,700 cigarettes a head.

The price rise touched off emotions and could easily have caused labour unrest. As one delegate from Silesia, the heartland of the Polish mining industry, told Dr Marian Krzak, the Finance Minister, the miners were ready to call a strike.

Dr Krzak spent two hours at the congress last night unsuccessfully trying to convince delegates of the merits of the government decision. They questioned him and often laughed scornfully at his replies. Then they demanded the suspension of the decision pending negotiations.

After a vote was taken to appoint a negotiating team, it transpired that Dr Krzak had no power to reverse the rise, but could only discuss possible compensation.

The delegate from Silesia, who spoke a dialect which the minister had difficulty in understanding, was invited to sit next to him. When they came face to face, the miner asked: "Why is everything so bad in our country?"

The Silesian miners, he said, would be willing to pay more for cigarettes if they could be assured of getting cigarettes instead of ration coupons.

Once again, it was Mr Lech Walesa, the Solidarity chairman, who intervened and put an end to what was clearly threatening to turn into an angry confrontation. Closing the debate, he turned to the minister and said: "There is only one solution and that is to suspend the decision and only then discuss the price rise."

There would be trouble in the country if the Government insisted on going ahead with the increase. "We can keep the situation in hand," he said, "but perhaps you may not be able to."

Recently, when the price of bread rose, there were no problems because compensation was negotiated, even if it was not entirely to the union's satisfaction. This time, the Government action without consultation. The minister explained that, as in the case of alcohol, tobacco was a state monopoly and cigarette prices did not therefore need to be negotiated with Solidarity.

On the crucial self-management law which the congress has accepted with qualifications, the party newspaper *Trybuna Ludu* today expressed apprehension. It described the Solidarity resolution as calling into question the implementation of the law, which went into effect on October 1. And it accused the congress of placing itself above Parliament and the law.

IN BRIEF

US citizenship for Wallenberg

Washington — President Reagan signed a resolution today giving honorary American citizenship to Raoul Wallenberg, the Swedish diplomat, who saved the lives of over 100,000 Jews in Hungary during the Second World War.

Wallenberg disappeared after the Russians arrested him in 1945. Mr Reagan said: "There is evidence he is still imprisoned by the Soviets."

New search for Briton

Camerino, Italy — Italian police plan to begin another search in the Sibillini mountains for Mrs Janet Dorothy May, aged 40, former wife of the British banker, Mr Evelyn de Rothschild. Mrs May vanished on November 29.

Aid for Zambia

Lusaka — The United Nations High Commissioner for Refugees gave Zambia £350,000 for immediate aid to refugees and displaced Zambians near the Angolan and Namibian borders.

'Spy' arrested

Karlsruhe — West German police have arrested an East German scientific worker, Herbert Müller, aged 54, on suspicion of spying for the Soviet KGB secret police.

Pigeon puzzle

Paris — French counter-intelligence has been called in to investigate the killing of a carrier pigeon bearing a Hebrew-written message.

Etna rumbles

Catania — A recently opened crater on the western slope of Mount Etna has resumed spewing black smoke and ashes after being dormant for several days.

Muldoon apologizes to Mugabe for remarks

From David Watts, Melbourne, Oct 5

Mr Robert Muldoon, the New Zealand Prime Minister, and the "enfant terrible" of the Commonwealth, today apologized for remarks he made over the weekend about Mr Robert Mugabe, the Zimbabwe leader.

In the resumed session of the Commonwealth Heads of Government Meeting he said that his remarks had been intended as a remark of approval for a leader he greatly admired.

During a conversation with New Zealand journalists in Canberra during last weekend's session, Mr Muldoon, discussing what he saw as Mr Mugabe's inflexibility, said: "I suppose when you have been in the jungle for years shooting people you can't understand. He's got a closed mind."

Mr Shridath Ramphal, the Commonwealth Secretary-General, today reported a whole catalogue of criticisms and personal attacks, with the Secretary-General and his interference in the leaders' deliberations singled out for particular mention.

Mr Muldoon's remarks at the weekend were part of a wider catalogue of criticisms and personal attacks, with the Secretary-General and his interference in the leaders' deliberations singled out for particular mention.

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Commonwealth leaders resume conference



Leaning to the left: Mrs Margaret Thatcher at the residence of the British Consul in Melbourne.

Thatcher cautions Trudeau

Melbourne, Oct 5 — Mrs Margaret Thatcher said Mr Pierre Trudeau, her Canadian counterpart, today she would submit his constitutional reform package to the House of Commons, but warned him it faced growing opposition in London.

The two Prime Ministers, attending the Commonwealth conference here, met for 25 minutes to discuss Mr Trudeau's proposals. A statement after the meeting said Mrs Thatcher had agreed to submit the reform package to Parliament once it had been approved by the Canadian Parliament.

Mr Trudeau said last week he would submit the plan to his Parliament soon after it reconvenes on October 14.

The proposed changes would amend the requirement that amendments to the Canadian constitution be approved by the British Parliament. The package, opposed by eight of Canada's 10 provinces, also includes a new bill of rights and a formula for amending the constitution once Britain has relinquished its control.

Today's statement said Mrs Thatcher told Mr Trudeau that British MPs were concerned at being asked to pass a measure which did not have the approval of a substantial number of provincial governments. However, Mr Trudeau hoped the MPs would recognize that that was a matter for Canadian politicians to decide.

Nigerian paper urges withdrawal

From Karan Thapar, Lagos, Oct 5

The government-owned New Nigerian newspaper has called on the Government to take Nigeria out of the Commonwealth.

"The Commonwealth may seem innocuous but that is not sufficient reason to remain in a club which we think is for us one talking shop too many," the paper's leading article argues. "We hope, therefore, that by the next summit we would have left it."

"Our business with Britain will not dwindle because we

opt out," the paper reasons. "As for the other business of international politics we have a far more appropriate forum in the OAU, the nonaligned movement and the UN. We may not have been any more able to get our way in these forums than in the Commonwealth but at least they do not have a colonial past which makes that club highly suspect."

The article is unlikely to influence President Shugu Shagari's Government which is a dedicated and committed

member of the Commonwealth. But diplomats believe that it is a strong indication of the increasing frustration in Government circles with Western and, in particular, American, policy.

In the past six months the New Nigerian has, often in strong terms, criticized the Shagari Government over its attitude to Libya, and its economic policy and performance. The leading article appeared on the day that the President strongly criticized the United States.

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Haig outlines Awacs deal compromise

From Our Own Correspondent, Washington, Oct 5

The United States must go ahead with its sale of Avco's airborne radar aircraft to Saudi Arabia despite Saudi rejection of joint manning of the aircraft, Mr Alexander Haig, the American Secretary of State, told the Senate foreign relations committee today.

He made it crystal clear that joint command of the five aircraft in a proposed \$5,500m (\$4,700m) arms package was not possible and that Saudi Arabia would go no further than to agree to the "understandings on limitations" which Mr Haig had outlined on his first appearance before the committee last week.

The plan to sell the aircraft has run into strong opposition in Congress on the ground that they pose a threat to the security of Israel. Both houses have to veto the deal to prevent it going through.

A majority opposes the sale in the House of Representatives and a resolution against it has been signed by 50 out of the 100 members of the Senate. Senator John Glenn, Democrat of Ohio, has said opposition in the Senate would evaporate if the Saudi Arabians agreed to joint command with the United States.

Mr Haig, however, told the Senators bluntly: "This is not the time to impose a severe strain on our relations with one of our closest friends in the region." If Congress vetoed the sale it would set back badly the prospects for security cooperation with Saudi Arabia.

There would be complete data sharing on a continuous basis. There would be no sharing with other countries without American consent. The aircraft would only be used for defence and would fly within Saudi Arabian borders.

President Reagan is expected to invite former President Carter to the White House next week as part of the effort to persuade Congress to agree to the sale of five Avco's aircraft to Saudi Arabia. Mr Carter supports the sale.

Egypt reassured, page 8

Reagan move to switch social aid to private hands

From Nicholas Hirst, Washington, Oct 5

Saying it was time to take a fresh look at government social programmes, President Reagan today announced the formation of a presidential task force to promote voluntary work and private sector aid.

Headed by Mr William Verity, chairman of Armco Steel, it is composed of 35 leaders from corporations, foundations, and voluntary and religious organisations.

The aim is to promote private-sector leadership and responsibility for solving public needs and to recommend ways of fostering greater public-private partnerships, the President told the National Alliance of Business here.

Mr Reagan outlined his philosophy of reducing state interference and encouraging business and philanthropy.

There was a legitimate role for government to play in providing social aid, he said, but many people were economically trapped by welfare payments, and would like nothing better than to be at work. His economic programme was designed to create new jobs. More should be done to increase social programmes but it was time to take a fresh look at how they were provided.

"The private sector still offers creative, less expensive and more efficient alternatives to solving our social problems," he said. "There are hard-headed, no nonsense measures by which the private sector can meet those needs of society that the Government has not, cannot or will never be able to fill."

El-Al will ground aircraft worldwide every Sabbath

From Christopher Walker, Jerusalem, Oct 5

Plans to ground Israel's national airline for 24 hours each week on the Sabbath and on all Jewish holidays are to go ahead despite bitter opposition from the airline's management, a threat to several thousand jobs and an estimated cost to the company of £30m.

As soon as final details have been agreed, the airline will have to operate a new schedule insuring that none of its aircraft takes off or lands anywhere in the world during the 24-hour period from sunset on Friday to sunset on Saturday.

The Sabbath shutdown of El-Al was one of the most controversial clauses in the 84-paragraph coalition agreement signed in August between Mr Menachem Begin, the Prime Minister, and the three religious parties who provide him with the necessary seats to form a Knesset majority of 61 to 59.

At a 90-minute meeting here today the four Knesset members of the ultra-orthodox Agudat Israel Party secured a pledge that all clauses in the coalition agreement would be speedily implemented, including the Sabbath flight ban.

Other sections of the two-month-old agreement to be put into effect soon include a Sabbath ban on all operations of the national Egged Bus Company and the provision of

large sums of public money for orthodox educational institutions.

In addition, the religious parliamentarians claimed after today's talks that the Government will soon press ahead with a scheme to insure that all Jewish human remains are removed from Israel's archaeological research institutes and given a proper Jewish burial.

Mr Begin is already coming under heavy pressure to implement another clause in the coalition agreement which would enable the country's chief rabbis to exercise stricter control over contested archaeological digs like that at the City of David site in Jerusalem which has already prompted street riots and still threatens a political crisis.

Today's meeting came after a special session of the Council of Torah Sages, the secretive body of elderly rabbis which dictates all policy to the Agudat Israel Knesset faction. It is understood that some of the ultra-orthodox rabbis were angry that elements in the coalition agreement appeared to be neglected in practice.

Political observers saw today's session with Mr Begin as evidence of the growing political clout now wielded by the religious politicians in the Knesset. Their influence has angered many Israelis who argue that they represent

Egypt gets assurances of aid from America

From Our Correspondent Cairo, Oct 5

The United States has told Egypt that President Reagan's Administration will do all it can to help its allies in the Middle East and Africa to confront Soviet-inspired designs in the regions. Egyptian Vice-President, said today after four days of talks in Washington.

The promises came as President Anwar Sadat and Mr Kamaladdin Hassan Ali, his Defence Minister, in separate interviews here, gave warnings that Soviet-backed Libya was planning a "big game against Sudan" and that Moscow's military advisers and Cuban troops in Marxist-ruled Ethiopia form a rapid deployment force that could threaten any Gulf country, or the Red Sea oil routes to the West.

Mr Mubarak, who was sent by President Sadat to impress on the Reagan Administration that the Soviet moves in the region increase Saudi Arabia's need for Awacs radar aircraft and Sudan's need for military hardware, said his talks in Washington were "very good".

Israel is trying to frustrate the Reagan administration's attempts to win Congressional approval for the Awacs sale to Saudi Arabia, claiming the kingdom could use them to threaten the Jewish state. But the Saudis, who fear the Iran-Iraq war may spill over into their country and the Soviet Union may move closer to them from Afghanistan, say they want the Awacs for defence purposes.

"I have sensed a great understanding on the part of the Reagan Administration of the Soviet moves in the region and the designs behind them," Mr Mubarak said. He emphasised to the officials that there would be "lots of repercussions" if the United States withheld the Awacs sale, and it would "also put into question the Administration's commitments to its allies".

Shortly after the Russian invasion of Afghanistan, Soviet-equipped Libyan forces intervened militarily in Chad, which shares the river Nile and a common defence pact with Egypt.

In an interview with the newspaper *Maya*, the weekly organ of Mr Sadat's ruling National Democratic Party, the Egyptian leader said Libya was "actually planning a big game against Sudan", and he accused Moscow of using Colonel Mouamar Gaddafi of Libya to destabilize moderate regimes in the area.



Malaysian relations with Britain deteriorate

From M. G. G. Pillai Kuala Lumpur, Oct 5

Anglo-Malaysian relations have reached a new low with the Malaysian Cabinet decision last week to make it difficult for British firms to obtain government contracts. Two British ministers - Mr John Nott, the Defence Secretary, and Mr Peter Rees, the Minister of State for Trade - have been here since the decision became public but without being able to get official clarification.

Mr Nott declined today to go into the Malaysian boycott but said the move did not mean that British firms would be excluded, only that they would have to double their efforts to succeed.

The Malaysian decision, announced by Datuk Sri Mahathir Mohamed, the Prime Minister, last Friday, appears to be a retaliation for the London Stock Exchange move making it difficult for "dawn raids" to succeed.

Coming as it does after the Malaysian takeover of Guthrie Corporation, the move is viewed here as a deliberate block to any future Malaysian moves to buy a majority shareholding in foreign-owned companies.

The new policy makes it obligatory for all Government and statutory bodies to clear all tenders awarded to British firms with the Prime Minister's office. This is already policy for all major tenders, but now if a British firm is chosen the agency concerned would have to submit an alternative non-British firm with that bid.

Officials here are wary of giving the reasons for the restriction on British firms. They have taken such a decision has been taken means that bureaucrats will discriminate against British firms for even relatively minor contracts.

Informed sources said today that the Defence Ministry, for instance, is already looking around for alternative suppliers of equipment now bought almost exclusively from Britain.

The move comes after Datuk Sri Mahathir had expressed reservation about Australia and New Zealand wealth, and developed countries' decision to withhold its contributions to the Commonwealth Fund for Technical Cooperation (CFTC) until the developed world had agreed to their share is a reflection of Malaysia's position.

Anglo-Malaysian ties have been declining for the past decade as Britain's entry into the EEC loosened some of the old ties. But the problems appear more basic than that.

Iraqi minister attacks Arab states' pro-West policies

By Richard Owen

Mr Saddam Hammadi the Iraqi Foreign Minister, yesterday criticized moderate Arab states for pursuing pro-Western policies which he said were likely to cause internal unrest and thus create further instability in the region.

Speaking at the Royal Institute for International Affairs, Mr Hammadi singled out Egypt as a country whose leadership had created widespread discontent through its mistaken commitment to Camp David, but added that President Sadat was not alone among Arab leaders in tying himself to the West against the wishes of his people.

Mr Hammadi was especially critical of those Arab states which had strong links with the United States, since the Reagan Administration - "in so far as I can understand their policy" - had emphasized the need for a Western military presence in the

N YEMEN TO MAINTAIN NEUTRALITY

Beirut, Oct 5. - President Ali Abdullah Saleh, of North Yemen, has said he will visit Moscow later this month, but reaffirmed his determination to maintain a non-aligned policy, an independent Lebanese newspaper reported today.

In an interview with *Al-Nahar*, President Saleh said North Yemen was capable of maintaining its neutrality, both internally and externally. His remarks came after speculation in the Arab press that North Yemen might be drawn into the pro-Soviet alliance concluded in August by Libya, South Yemen and Ethiopia, but he said North Yemen could not, on principle, enter into any military alliance.

However, his country enjoyed a good relationship with the Soviet Union, he said. Any form of Soviet aid arose from humane considerations, North Yemen also receives financial aid from Saudi Arabia. - AP

Chirac indicts record of Socialist regime

From Charles Margrove, Paris, Oct 5

After a deliberate and almost unbroken silence of four months since the presidential and parliamentary elections, M Jacques Chirac the Gaullist leader inaugurated his return to the political limelight at a press conference which bore the stamp of his characteristic gusto and self confidence.

It was largely taken up with a harsh indictment of the Socialist Government's economic and social record - "based on an obsolete and unrealistic ideology" which leads to upheaval.

If he proved rather more diffident than usual in putting himself forward as the leader of the opposition, about the need for a "renewal of the men, the ideas and the language" which must inspire its action in future, this was in order not to frighten away the *Giscardians*, and rather tentative proposals for cooperation with the Gaullists.

It was also because the Gaullists themselves in the next three months leading to the national conference in January, are going to sort out their own proposals and ideas in the shape of a "Republican project" for the future.

The Socialist's economic and social programme was denounced as obsolete, he claimed. "What we see is the implementation of a policy which is outdated, unadapted

President walks from Baltic to the Alps

From Patricia Clough Bonn, Oct 5

To the strains of a hallooing chorus and the thump of Bavarian brass bands, President Karl Carstens of West Germany arrived in Garmisch-Partenkirchen at the weekend after walking, in stages, the length of his country from the Baltic to the Alps.

Many of his countrymen had sniggered when the 66-year-old President and his wife set out from Hohwacht on the Baltic coast two years ago. By the time they reached Garmisch 700 miles away, his popularity had risen by 50 per cent and he had helped revive the old fashioned German passion for *Wanderungen* - long hikes through the countryside.

His aim had been to encourage people to get out of their cars and walk ("Less Mercedes, more per pedes" was his motto) and appreciate the beauty of their own country. He also wanted to meet ordinary people.

Striding along usually at the weekends in corduroys and anorak, with local dignitaries puffing along by his side and often several hundred keen walkers in his wake, he was briefed by all sorts of people on every subject from the problems of this years crops to what was wrong with the teachings of Aristotle. His wife Veronica, 58, who is a doctor, was usually some way behind, often being asked medical advice.

They passed through 238 towns and villages where they were met with bands, speeches and children leaping nature poems and poems with presents of sausages and other specialties. They also collected 100 walking sticks and 100,000 marks (about £25,000) for Dr Carstens' multiple sclerosis charity.

But most grateful to the President are the *Wandervereine*, walking associations which flourished when *wandern* was all the rage in the late nineteenth and early twentieth century. Since President Carstens has been walking, their membership has risen by 120,000 to about 600,000.

For many years people who went walking were considered a bit odd," says Herr Heiner Weidner, spokesman for the Federation of Walking Associations. "Now walking is being taken seriously again."



KOREAN DEFECTS

Tokyo. - A South Korean soldier has defected to North Korea across the demilitarized zone because of discontent and grudge against President Chun Doo-hwan.

KEKKONEN BETTER

Helsinki. - The Condition of President Urho Kekkonen of Finland, aged 81, is improving, although he is still suffering from fatigue and a disturbance of the flow of blood to the brain.

Nine climbers feared dead in Himalayan expeditions

Katmandu, Oct 5. - Six climbers have died in the Himalayas and 10 others are missing, three of whom are almost certainly dead, according to official reports today.

The six confirmed killed on two separate expeditions in Nepal were two French, two Nepalese and two Japanese. The 10 missing from two separate teams in India are all Japanese.

The Nepalese Tourism Ministry said the French and Nepalese mountaineers were killed by snow avalanches on the 26,545ft Annapurna I on September 28.

The two Japanese died on September 29 when a 24-man team climbing the 24,457ft Gangapurna.

In Delhi, the Japanese Embassy said three students from Hiroshima University had been missing since September 15.

Seven climbers, all members of the Himalayan Association of Japan, had been missing since September 28 on the 21,033ft Nanda Ghat.

Prisoners stir Spain into judicial reform

From Richard Wigg, Madrid, Oct 5

Spain has been 19 suicides in jails, all of young men.

The prisoners' movement received a sympathetic response from the public and from Señor Enrique Galavis, the Director-General of Prisons. The day after the prisoners decided to suspend their protest for one month to await the Government's reply, the Cabinet met and agreed to make a start with long-delayed prison reforms. It scrupulously avoided any condemnation of the prisoners.

But it is only a very small start and the movement in the jails could restart. Ten new courts are to be set up immediately in the Basque country and Catalonia where delays are worst. Parliament is to give priority to legislation for a bigger establishment of magistrates and court clerks, plus a programme to spend £48m on new prisons.

The reform has been waiting amid a mass of Bills jammed in a variety of parliamentary committees. The judiciary is also clogged. Spanish lawyers still take, for instance, years to prepare themselves for examinations as magistrates.

While the reforms have gone so slowly, the few hard-pressed magistrates have responded to the public outcry of a mounting crime wave and increasingly refused bail. That is why the number of those awaiting trial has risen so dramatically.

The basic problem remains of adapting Spain's penal system, prisons and courts, to a modern, democratic society.

Carrington backs US arms move

By David Spanier

Lord Carrington, the Foreign Secretary, strongly denied yesterday that there was any split between Europe and the United States on disarmament in Europe, but admitted that there was a genuine worry among the public that arms limitation talks had made no progress.

"It isn't so much neutralism as worry," Lord Carrington said. "I believe that once you get these talks going and hopefully we have some success, then a good deal of that worry will disappear."

Interviewed on Yorkshire Television last night, Lord Carrington emphasized that the Reagan Administration was "absolutely genuine" in wanting to limit theatre nuclear weapons in Europe.

"We are in a very difficult position in Europe because for the last two or three years the Soviet Union has been deploying these SS20 missiles, which are threatening in their capacity, and the fact that nothing about modernization of our theatre nuclear forces over many, many years, and it really would have laid Europe open to blackmail if we had done nothing about it."

The double decision to modernize and to negotiate was the right one, he said, and would lead on to a negotiation on strategic arms limitation, in the framework of SALT.

"I think there is a good chance that one could get a situation in which you don't actually have all these missiles," Lord Carrington went on.

One of the difficulties he had found in discussions with Mr Gromyko, the Soviet Foreign Minister, was agreeing on the base data. Until this was decided it was difficult to see if a negotiation was possible.

CORRECTION

The new publishing centre of the Russian Orthodox Church in Moscow does not include printing facilities as was reported on September 23. All religious literature will continue to be printed on state presses.

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World's doctors join fight against nuclear warfare

By David Cross

A group of eminent American, European and Soviet doctors, including the personal physician of President Leonid Brezhnev, have banded together to fight what they regard as the world's most dangerous health hazard — the threat of a nuclear war.

In a development little noticed in Britain but widely publicized in the United States and the Soviet Union, 40 physicians met near Washington earlier this year to discuss the general medical consequences of nuclear warfare.

Their main conclusion was that any organized medical response to nuclear war could make "no significant difference" to its catastrophic effects, given the nature and number of the casualties who survived the immediate effects and the virtually total destruction of medical facilities and services which would follow any nuclear attack.

A second meeting of the group, which calls itself "International Physicians for the Prevention of Nuclear War", is to be held in Cambridge next April to follow up the findings of the first congress with special reference to European countries.

A preparatory group which met last weekend at Ascot to draw up the agenda for the Cambridge meeting told a press conference yesterday that the consequences of a nuclear war would be particularly dire in the highly urbanized countries of Europe.

This was because, population densities were very high and the continued existence of urban societies were so strongly dependent on a complex structure of transport, communications, distribution of food and energy and the provision of organized medical and social care.

Inevitably, any group of concerned scientists which brings together Soviet and American representatives is bound to be regarded in the West as a potential propaganda tool for Moscow. At yesterday's press conference, Dr J. Fielding, consultant haematologist at St Mary's Hospital, London, conceded that he had gone to the United States earlier this year with grave misgivings about Soviet intentions.

But, he told *The Times*, he had been pleasantly surprised that the Soviet participants, including Professor Eugene Chazov, who is a leading cardiologist, as well as Mr. Brezhnev's personal doctor, had accepted the argument that politics should not be discussed at the congress. Dr Fielding pointed out that the Soviet press had reported widely and fully on the congress and its findings.

To counter the propaganda argument, the group has published a booklet of Soviet press clippings on the Washington congress which, by Soviet standards, are relatively unbiased, if ritual references to American imperialism and militarism are ignored.

S Africa drops prosecution of journalist

From Michael Hornsby, Johannesburg, Oct 5

The South African state prosecutor today withdrew charges against Mr. Nat Gibson, the United Press International bureau manager, who had been accused of violating the Defence Act by reporting troop movements.

In a dispatch to his agency in June of last year, Mr. Gibson reported that troops had been used to protect the Volkswagen plant at Uitenhage, near Port Elizabeth, during a strike.

The accuracy of the dispatch has never been disputed. Mr. Gibson was charged under a section of the Defence Act which makes it an offence to publish a statement or comment of rumour relating to the activities of the South African Defence Force, calculated to alarm or depress members of the public.

In a statement the Foreign Correspondents' Association here welcomed the dropping of the silly charge against Mr. Gibson, but added: "The fact remains that charges were laid against Mr. Gibson over a story whose accuracy is not in question."

While expressing relief that the move against Mr. Gibson had now been abandoned, the association asked "whether over a story whose accuracy is not in question, the order served last week on Miss Cynthia Stevens of the Associated Press, foreign journalists were being singled out for harassment."

If so, the statement declared: "These tactics will not help South Africa's search for credibility."



A supporter is attacked and forced over a crowd barrier during the brawl.

England fans in Sydney brawl

Sydney, Oct 5. — Two men were stabbed and dozens injured during a wild brawl at the end of the World Youth Cup match between England and Argentina here today.

Three men were charged by the police. Fights erupted among the 17,000 spectators around the Sydney Sports Ground, involving more than 100 England and Argentine supporters, after the game had ended in a 1-1 draw.

Five car loads of police reinforcements were called to

the ground as the supporters fought savagely for more than 20 minutes.

Dr David Sheps, the Australian Soccer Federation doctor, who treated the two men with stab wounds before they were taken to hospital, said that one was lucky to escape death. "One of the wounded was fortunate the knife did not go through his ribs."

The brawl, one of the most violent seen at a sporting event in Australia, prompted virtually all of the crowd to stay back to watch.

Many people were flung over a 12 ft high fence on to the playing area as others exchanged punches and karate-type kicks. The small band of police at the ground were outnumbered.

The first sign of trouble came at the half-time break when a number of English supporters climbed the fence and approached a group of Argentine fans, who had begun a lap of the ground waving their flag. — AP and Reuters. Match report, page 15

Bleak grain outlook for East Europe

By Hugh Clayton, Agriculture Correspondent

Grain supplies in much of Eastern Europe are likely to be as poor as those in the Soviet Union, according to harvest reports from Western sources. Poland, which has one of the largest crop-growing areas of any European country, is expected to do better than most other members of the Council for Mutual Economic Assistance (Comecon).

The United States Department of Agriculture estimates that Polish demand for grain imports in the coming 12 months will be slightly lower than in the past year. Poland is expected to have a grain harvest this year of about 20 million tonnes.

That is about the same as the record or near-record expected from the smaller British arable area. Although Britain has a larger potential to feed, the Polish leadership has to contend with a dietary tradition which has given their country one of the highest per capita meat consumption levels in the world.

The present EEC programme of food aid to Poland, to which Britain has contributed more than 400,000 tonnes of its record barley surplus, is almost complete.

The Eastern bloc is bound to remain a keen importer of grain in the trading year that has just begun. International grain supplies have formed into a pattern that could be summarized as "more in the West and less in the East."

The United States and the Soviet Union each account for about one-fifth of world output of cereals other than rice. Output is expected to be higher from the present harvest in the United States and lower in the Soviet Union.

Western reports, based on diplomatic contacts and monitoring of state-controlled media, suggest that the grain harvest in Romania will total about 19 million tonnes, compared with a planned 23.7 million tonnes and an actual yield last year of more than 20 million tonnes.

The total grain output in Czechoslovakia is expected to be about 10 per cent less than that of last year at just below 10 million tonnes, while

Hungary is also expected to suffer a drop to a national total of about 12 million tonnes. Harvests from the smaller agricultural areas in East Germany and Bulgaria are expected to show little change on the 1980 figures.

Although official predictions from France point to a slightly smaller yield than that of last year, other leading exporting nations in the West are forecasting larger totals.

The Bureau of Agricultural Economics of Australia has raised its estimate of a national wheat crop of 15 million tonnes to a near record of almost 17 million tonnes. The Government statistics office in Canada predicts a record wheat crop of almost 24 million tonnes.

Rome: United Nations Food and Agricultural Organization (FAO) yesterday forecast a record global coarse grain harvest this year and predicted that the world cereal trade would reach a new peak.

Continuing good weather had brightened prospects for 1981 coarse grain harvests in major exporting countries, according to the latest FAO outlook report.

World coarse grain production was likely to reach a record 780 million to 800 million tonnes, an increase of about two per cent over last month's forecast and 8 to 11 per cent higher than for 1980, the report said.

Wheat and rice output estimates remain basically unchanged, it said. The bulk of the increase should come from the United States, with production likely to be 18 to 26 per cent above that of 1980, 7 million tonnes in 1980. But the poor weather in the Soviet Union seemed likely to result in the third consecutive bad harvest, the report said.

The report said world cereal production was expected to recover this year with total output ranging from 1,500 million to 1,540 million tonnes, compared with 1,440 million tonnes in 1980-81 and the previous record of 1,470 million tonnes in 1978-79.

The report also raised its forecast of world cereal trade in 1981-82 to a record 221 million tonnes. — Reuters.

Broederbond said to have lifted ban on extreme right

From Our Correspondent, Johannesburg, Oct 5

Controversy is raging here over claims that the Broederbond (Afrikaner brotherhood), the secret society whose influence permeates the whole of African political, economic and social life, has lifted its ban on members of the extreme right-wing Herstigte Nasionale Party (HNP) joining its ranks.

Both the HNP's own mouthpiece, *Die Afrikaner*, and English-language papers such as the *Rand Daily Mail*, have claimed that at a secret meeting of its executive council here on September 22

the Broederbond decided to lift the ban.

According to Mr. Beaumont Schoeman, editor of *Die Afrikaner*, great concern was expressed at the meeting about the loss of paid-up Broederbond members to the HNP, and it was decided that in future when a Broederbond member joined the HNP he would no longer be automatically expelled.

The claims have been denied by Professor Carl Boshoff, the national chairman of the Broederbond, who insists that no meeting of the

kind described took place and that the society's attitude towards HNP membership remains unchanged.

Despite this denial, most informed observers here believe there has been a policy shift within the brotherhood, which in turn reflects tension between the *Verligte* (liberal) and *Verkrampte* (conservative) wings of the Afrikaner ruling class over the future of apartheid.

The Broederbond was founded in 1918, and began to assume its present character in the 1920s as a freemason

type of secret society whose aim was to promote the cause of Afrikanerdom at a time when the English-speaking community was still the dominant force in the country.

Mr. Pieter Botha, the Prime Minister, many of his cabinet ministers, and thousands of civil servants, school principals, senior teachers, lawyers and academics are known to be members of the Broederbond, even though the membership and proceedings of the organization are confidential.

Eight women among 61 executed in Tehran

Tehran, Oct 5. — Sixty-one people, eight of them women, were executed today at Tehran's Evin prison, the newspaper *Kouhan* reported, quoting a bulletin from the Iranian Revolutionary Prosecutor's office.

Among the capital charges against them were "rebellion against the Islamic republic", the murder of Islamic clergy members, members of the Government and "supporters of the Islamic revolution", attacks on Islamic Revolutionary Guards, armed robbery, and the illegal possession of weapons and hand grenades.

The 61 were described as being either opposition sympathizers or "hypocrites", the official term for the left-wing Mujahedin Khalq guerrilla movement.

One of them was Muhammad Kazem Gholzadeh-Gafari, the son of a Tehran mullah and MP, who has been a frequent absentee from recent sittings of Parliament. The mullah's second son was

executed on September 18 for taking part in armed attacks.

Meanwhile, in a separate report today, the English-language *Tehran Times* published a statement from the Prosecutor's office, announcing the execution of 22 people condemned to death by the revolutionary courts.

Tehran radio also reported today that in the southern city of Shiraz four left-wing Mujahedin had committed suicide by swallowing cyanide as revolutionary guards moved in to arrest them after a shoot-out.

Hojatolislam Ali Khamenei won 95 per cent of the vote in last Friday's presidential election, according to the final results released today by the Interior Ministry's political section.

The new President obtained 16,007,972 of 16,846,996 votes cast, or 95.01 per cent, according to the announcement on Tehran radio. — AFP.

Prisoners of conscience



Egypt: Ali Said Zahran

By Caroline Moorehead
Ali Said Zahran, a furniture maker from Damietta, is serving a five-year prison sentence for belonging to a communist organization imposed on him in the summer of 1978. He is reported to have undergone a recent kidney operation; but it is feared that he is not receiving proper after-care treatment.

For many years members of Egyptian communist organizations have been arrested and detained. When brought to trial, however, a great number have been acquitted in the state security courts by civilian judges, who reject the notion that membership of a communist group automatically implies intent to change government through violence.

Ali Said Zahran was not so fortunate. Under the security provisions of the state of emergency (still in force in 1978 though abolished in May 1980), the President was empowered to refer political cases of his kind for trial by military tribunal. It was before such a court that Ali Said Zahran received his sentence.

In his case, observers believe the tribunal acted particularly harshly. No intent to use or advocate violence was even produced in court, and his conviction is reported to have been based simply on possession of Marxist literature, and on the people he associated with.

SUDANESE ASSEMBLY DISSOLVED

Khartoum, Oct 5. — President Nimeiry today dissolved Sudan's National Assembly and ordered elections in two months to a new Parliament with fewer than half the present number of members. The Assembly now has 366 members.

The move will reduce the powers of the body, the Sudanese news agency, Suna, said. The new 151-member Assembly's powers will be devolved to five regional people's assemblies, except in southern Sudan which has regional autonomy since 1972.

The dissolved assembly was elected in April, 1980. — AFP.

Political temperature rises Disquiet of Mugabe's opponents

From Stephen Taylor, Salisbury, Oct 5

Zimbabwe's Minister of Home Affairs has expressed concern about rising political tension and said that rallies by minority parties would be curbed if they attempted to cause disaffection.

A few months ago Mr. Richard Hove's statement would have caused more than a few raised eyebrows. Last week it was regarded as a sign of an increasing sensitivity in the ruling Zanu (PF) Party to opposition as the Government grapples with a number of intractable problems.

The past few months have not been good for the national and racial reconciliation policy of Mr. Robert Mugabe, the Prime Minister. Uncompromising government statements and policies, dating from a shake-up of Zanu (PF) in August, have strained relations with Mr. Joshua Nkomo's Patriotic Front and left whites and other minority party supporters reeling.

There was a confrontation in Parliament last week between Mr. Edmore Zvobgo, a senior Zanu (PF) cabinet minister, and Patriotic Front MPs who, having criticized his suspension of two PF council officials, were invited to withdraw from the coalition Government.

It was also disclosed that the Government had withdrawn the bodyguards provided for Bishop Abel Muzorewa and Mr. Ian Smith, the former prime ministers, and now opposition party leaders. The official explanation was that this was in line with the withdrawal of protection for

former prime ministers by previous administrations.

In themselves these incidents are perhaps not significant, but after Mr. Mugabe and some of his ministers have on a number of occasions linked minority parties with subversion and economic sabotage, they have added to a growing unease in opposition ranks.

The whites, always sensitive to the slightest change in the wind, are particularly concerned. Even those who just a few months ago were optimistic about the country's future have been affected.

Mr. Rowan Cronje, a white MP, generally regarded as being among a group which accepted Zimbabwe's independence with a fair dose of pragmatism, and a goodwill, says: "When things get tough it is no good turning around and blaming everything on external forces and white colonialists. Many whites are doing their utmost to make the whole thing work."

Mr. Cronje also cites recent speeches by Mr. Mugabe as having contributed to white anxiety. "The Prime Minister has always been very considerate in his remarks. These speeches have an air of uncharacteristic politicking which worries people."

In spite of the problems it faces with the economy, transport and the land resettlement programme, diplomatic sources have been puzzled by the Government's new tone.

Zanu (PF) retains an unquestionable majority of support and has adopted measures — specifically in education, health and pay — which have considerably improved the lot of the vast majority. Why then, is it manifesting the symptoms of a government under siege?

Zimbabwe appears to be going through a period of transition and tribulation now that the euphoria of the first year of independence has worn off. The expectations of the majority — which are unrealistically high — are unlikely to be met in the terms in which they are perceived.

Indications are that economic growth will not increase at the rate that had been forecast, partly because of factors connected with the country's dependence on South Africa. Although Pretoria has said that it is willing to help with transport, it is believed that the Government may well have decided apart from any ideological considerations that as South Africa is likely to expect a quid pro quo and because regional tensions are likely to increase, it is preferable to opt for the hard road now rather than accept help with strings.

At home, the Government has been disappointed by white response to its reconciliation policy and has apparently decided that as emigration continues to exceed the rate at the height of the war, it cannot afford to be seen by its supporters to be going out of its way to appease an envied minority.

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Fashion extra by Suzy Menkes



Above: Patricia Neal at home at Gypsy House in a silver-grey silky suit with burnt-orange pattern by Dora Reisser. Also in brown and navy.

Left: Patricia Neal in the garden of her home in Buckinghamshire in a navy crepe outfit decorated with red braid. Also in burgundy or rust with navy.

Dora Reisser's clothes are available from Selfridges and Austin Reed in London, Ambers of Amersham, Charlotte of Bournemouth, Carters of Glasgow, Penningtons of Lincolnshire, Nons l'avons of Wolverhampton.

Photographs by JOHN PLAYER

How Patricia Neal came back with style

Talking to Patricia Neal about clothes seems rather like asking Mrs Lincoln how she enjoyed the play. When you have clawed your way back from total paralysis after three crippling strokes, when you have buried one child and seen the others buffeted by ill-fortune, when your life can be looked at as an Aeschylean triumph over tragedy, can you be bothered to look in your wardrobe?

The wardrobe was gaping open, then, as I arrived at the gabled country house, garlanded with roses, where Patricia Neal lives with her husband, Roald Dahl. She was packing for the American tour. ("In America the women are very smart, and I am going to look quite wonderful.")

She tours from Alaska, to Texas, to Detroit. ("Or is it Denver? Since the stroke my memory for names is missing.") There she recounts the story of her life, from the overture on Broadway, the plaudits, the approach to Hollywood, the crash, the achievement with her Oscar for the housekeeper in *Hud*, in 1963 (when she was pregnant with her fifth child, Lucy) which could have been the finale.

Instead, there has been the proud return to acting, and to life. Sixteen years on she wants the audience to catch her own hope and enthusiasm. The story has now been made into a film, with Glenda Jackson and Dirk Bogarde as Pat and Roald. The film is provisionally called *Gypsy House*, the name of the cottage the young Dahls bought 26 years ago which has now sprouted gargoyles of growth — a big sitting room here, a guest-house there, a swimming pool, a but house for the orchids and the hut in the garden where he writes his sinister and insistent tales.

He is a dominant presence in the house, showing me his

treasures, mostly carved, dark oak twisted into animals, birds or snakes, slithering around mirrors or spreadeagled against the innocent white walls. A fit setting for those uncomfortable children's stories, which he presses on me for my boys, along with signed photographs, a new picture book and a puzzle for them to solve which I have to take on (and fail at) during lunch.

Throughout his wife is serene, thinking perhaps of higher things but more probably of how she can get her new clothes out of the bedroom when he finally (after four returns to show me new things or tell me tidbits of information) climbs the creaking stairs to have an afternoon nap.

The clothes she explains, are exactly what she wanted, elegant for the United States, but not boring, soft and comfortable. They are all from the designer Dora Reisser — five outfits, all new.

She shows me a navy crepe suit, its edge-to-edge jacket cheerily picked out in scarlet braiding, a culotte skirt where one might expect a pleat.

She doesn't worry at all about being 54. "I worry about my weight, and I could certainly lose a few pounds," she admits in her gravelly Kentucky drawl. "I worry about my hair and I go to the beautician. I care how I look in America because there I am really well-known and people expect me to make an appearance. Here I'll go into the shops like this." She points to the green slacks and bright pink silk shirt.

Does Patricia Neal worry, as other mothers, and more so because of the tragedies, about her four children? Daughter Tessa is now married and living in America, Lucy is at college there. She thinks, a little wistfully, that they may both stay there. "But you can't go on worrying about children. You have to bring them up and then let them go. If I hadn't had the stroke, I would certainly have worked much

more, and I never had any of these qualms about being a working mother. I was on the brink of a really major step in my career after *Hud* and I wouldn't have stopped for the children."

Titles from her acting career, and of Roald's publishing successes, are woven into a bag she carries with her everywhere, even though the original tapestry work has had to be strengthened with leather and re-framed. "Roald's written so many more books now that I ought to be on it," she says. The last step to her own career on the bag is *The Subject of Roses*, the film in which she made her comeback after illness.

She feels that she has some sort of mission to tell other people about strokes, presenting herself as proof that you can learn to live again. She thrusts in front of me a medical article. She shudders because her sister suffered a stroke a few weeks ago.

Does she feel that she has had more than her fair share of ill-fortune? "Oh sure. I have had one blow after another and this is another one. But which can you do. You have to get up and go on."

She lurches back into past pain, the son who was brain-damaged at four months when a taxi drove into his pram in a New York street, the daughter, Olivia, who died at seven with measles. ("My friends begged me to get the children inoculated but there wasn't enough to go around.")

I wonder how she can bear to talk about it instead of insulating the past in silence? You have to face it, she says simply as we looked at Olivia's last painting, a collage of fresh colours framed on the kitchen wall.

Perhaps it is not by chance that Patricia Neal's own portrait — strong, serene and little different from how she looks today — hangs directly opposite.

Suzy Menkes' report from the Italian fashion shows will appear on Thursday.

BOOKS FOR CHILDREN

Reading is FUN

This is Children's Book Week. Although organized by the Book Marketing Council and sponsored by Lloyd's Bank it is not an event devised merely to sell more books but to advance the idea that the things can be a source of "lasting pleasure."

To judge by a couple of weighty surveys that have just been published we are badly in need of such promotion. The first of these, by Jennie Ingham, is called *Books and Reading Development* (Heinemann, £16.50) and it chronicles her work in the Bradford Book Flood Experiment, which occurred between 1976 and 1979. This curious event called for the "flooding" of several schools with books in order to discover (against some equivalent "control" schools) how far the accessibility of a large number of books might improve pupils' reading ability and their enjoyment of reading.

Many people might feel that such a case hardly needs proving, and it is of great interest that Jennie Ingham's survey does not so very far towards supporting that expected conclusion. Through a wealth of fascinating detail we come to see how very hard it is to sell the idea of "reading for pleasure" in circumstances which are often unpropitious. We also find (surprise, surprise) how vitally important is the influence of adults, especially teachers, who can do more by informed enthusiasm than by just filling the shelves with bestsellers.

Perversely, no better proof of this need for fuller adult sympathy can be found than in the other report *Extending Beginning Reading* which has been prepared for the Schools Council by Vera Southgate and research workers at Manchester School of Education (Heinemann, £10.95). A correspondent of *The Times* has already noted the unpropitiously chosen title for this survey, and the report reflects the largely mechanical attitude towards reading which that implies. Mrs Southgate herself has regrettably shown an insensitivity to the English language through her editing of *Ladybird Books*. "Well-loved Tales" series, and she and her colleagues now betray a fearfully limited knowledge of the wealth of resources for those who wish to make a child's reading something more than the doleful confrontation with flash-cards and structured reading-schemes.

Among some recent books for younger children, for instance, there are possibilities for enjoyment which have nothing to do with schematic calculations and everything to do with delighted participation. Look at Leila Berg's four titles of "Chatterbooks": *The Hot, Hot Day*, *In a House I Know*, *The Tickle*, and *Our Walk* (£1.25 each). Here, accompanied by photographs by John Walsley, are some beautifully turned little accounts of everyday activities.

And what of the continuing craze for pop-ups? It is easy enough to write off this

particular book-flood as a reflex exploitation of the paper-engineers of Colombia, but at their best the pop-ups offer imaginative challenges rather more thrilling than those of the reading schemes. Take the simple, dramatic story of *Dinner Time* (Gallery Five £2.95), a kind of juvenile "Jaws", devised by Jan Pienkowski, with a cumulation of animals snapping at the reader from the centre of the picture. Or take that revolutionary educational book of the thirties, *The Magic Boat* by Tom Seidmann-Freud, now reissued by Ernest Benn (£2.95), with its linking of ideas about words to play with pictures. In properly sympathetic hands such books can give a sufficient impetus to reading that its beginning won't need to be extended beyond the turning of a page.

Babies and Cats

Peepo! by Janet and Allan Ahlberg (Kestrel, £4.50)

Welcoming an autumn picture book from Mr and Mrs Ahlberg has become something of a ritual. "The team that brought you *Each Peach Pear Plum*, and *The Little Worm Book*, and *Funnybones*, now brings you... Peepo!" and behold, here is yet another charmingly worked out, completely individual picture book.

"This time we are in 1940: 'Here's a little baby / One two three / Stands in his cot / What does he see?' and there through a round hole in the opposite page ('Peepo!') he spies Dad sleeping, and when the page is turned, there is the whole bedroom, with all the appurtenances (boots, gas mask case, rubber duck) of a nation at war. Turn the next page and the next peepo is into the kitchen for breakfast, and so on through the day, with children playing, walks in the park, tea-time, and baths before the fire. Eventually bed-time comes round. Corporal Dad is ready to leave, and the altogether jovial baby collapses asleep into his cot. The book, like the day, is a round of quiet, lovingly-gathered experiences.

The Patchwork Cat by Nicola Bayley and William Mayne (Cape £3.95)

Very dirty, the Cat's quilt must go. "We shall buy a basket" says the mother. But the cat goes too. He gets in the dustbin with the quilt, loaded, like Steve McQueen, into a muck-cruncher, and only after a night on the council tip (where there are some none-too-friendly rats) does he find a friendly passing milk-float to take him home.

The story is pure convention, the execution not. William Mayne's text, which is all in the present tense, veers about from the flat to the mannered, via various experiments in Sendakian internal rhyme ("Ah," says the mother, "we have done some snatches on your patchwork"). Nicola Bayley's ornate pictures, with all their customary colourful detail,

make the same determined effort to convert the ordinary to the unique. It's a pretty, and in some ways a satisfying book, but those rats might find it a trifle precious — and the kitchen-larking around the kitchen-sink might think so too.

Brian Alderson

Well-heeled mice

The Mouse Who Lived in a Shoe, by Rodney Poppel (Kestrel, £4.25)

So are we caught up by tradition that the mice actually live in an old chukka boot, but it doesn't sound quite so euphonious. Do mice ever live in high heeled shoes or bedroom slippers? There are tales of them — three generations, and knowing the habits of mice, one isn't at all surprised. Their enterprise and energy (they have been found living on the 15th floor of enormous tower blocks) leads them to build themselves a house in the shoe, a cooperative effort of some dodginess involving (as all building operations do) the consumption of gallons of tea. The prime object of this enterprise was to avoid the attentions of the cat, and in this they are successful. They also have a delightful house, a scale model of which is shown on the very last page, made by the author. It's an enchanting book for the very young, with large, detailed illustrations. I must admit that I'm not happy with mice around. Is that a block of flats I see appearing in one of my wellingtons?

Philippa Toomey

Plovsnat for tea

Russell Hoban: They Came From Aargh! The Great Fruit Gum Robbery. Illustrated by Colin McNaughton (Methuen/Walker, £2.95 each)

Three cheers for Aargh! Three Cheers for Ugh, and three rousing cheers for Russell Hoban, the begetter of these two joyful little books. Most picture books tend to develop along two separate lines, either they offer entertaining versions of the familiar (*How Do I Put It On?* *Rosie's Walk*), or they carry their readers off into flights of fantasy quite outside their lives (*Where the Wild Things Are*). Russell Hoban has a third way. His three boys make their own magic: a twelve-legged space ship manned by Navigator Blub, Commander Blob and Technician Bleep goes voyaging in search of a new planet which harbours a Mummosaurus and the delectable Plovsnat (chocolate cake in everyday language). A Deep Sea Diver deserts his secret cavern "where the kraken groaned and slobbered" to visit the King of the Desert with his wondrous steed Kyrat and his even more desirable gait *frums*, only to be frustrated by the invasion of the baby Turpin on a Roaring Motor-cycle.

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Prince kneels by decorously sleeping Princess from *The Elf King's Bride* by Sally Scott, daughter of Paul Raj Quartet Scott (Julia MacRae, £4.95).

Here is the best sort of fantasy, combining familiar territory with wildest invention, an enriching vocabulary including such satisfactory weapons as *glosters* and *himbles*. "Is there intelligent life on this planet?" demands Navigator Blub. Here is indeed a marvellously intelligent response to a child's need for encouragement in his imaginary games. Colin McNaughton provides exactly the right sort of pictures. He also takes fantasy in a new direction in a book of his own: *If Dinosaurs were cats and dogs* (Benn, £4.75) which indulges every child's fascination with prehistoric monsters by enlarging their familiar animals. Thus a swan becomes King Kong waddling down Fifth Avenue, a mole makes mountains, a dog becomes a dragon and gigantic hens on stilts lay scrambled eggs. Lots of invention, but the pictures are better than the verse.

Kaye Webb

Dreams of Piracy

Harry Pay the Pirate, by Robert Nye (Hamish Hamilton, £4.95)

Robert Nye's previous children's books have been reworked folktales and legends. *Harry Pay the Pirate* is an original story, written in the mode of Nye's adult fiction: lots of jokes; short, laconic sentences; unexplained swerves of plot; sense that the author is condensing his narrative from a fuller version to which only he has access. This enigmatic quality can be both intriguing and irritating. *Harry Pay the Pirate*'s mysteries are as apt to reduce to whimsy as insight.

Never mind, there are compensations. Nye can be stabbingly poetic or off-handedly matter of fact, and has the panache to be both within a short space. His story of how the strange black man Mr Shadow helps Harry Pay fulfill his dreams of piracy never takes itself too seriously; it is a romp, and the absurdity of its plot is part of the fun. If the reader is left with the feeling that this sort of yarn comes as easily to Nye as Harry's "heart's desire" comes to him in the end, at least he carries it off with style. And even when faced with seven-headed serpents, his characters still have time to muse on the pleasure of language. "Belay," said Mr Shadow, sucking his fangs into the belt of his white pantaloons. "That's a lovely word — that belay."

Neil Philip

Kranky potion

George's Marvellous Medicine, by Roald Dahl. Illustrated by Quentin Blake. (Cape, £3.95)

"This book is for doctors everywhere" says the dedication and certainly when young George Kranky mixes up the awful potion which causes his old granny to stretch upwards like a fireman's ladder, you can — if you also stretch a point — draw a rough analogy with some of the more awful doings of the drug companies and the doctors. When it comes to motives, however, the analogy collapses utterly. Whatever may spur the medicine men to those activities of which added suffering is the by-product, it is not — at least

not yet — active and intentional ill-will. George, however, as he reaches for the hair shampoo, nail varnish, sheep dip, etc., is moved by almost nothing but sheer MIND. You can see his point: dear granny is a terrible old harrier in whose grandchild murderous hatred seems the only proper response.

Having extended her much higher than the house, George then tries the potion on his father's farm yard animals with what might be called gratifying results for breeders everywhere: chicken being the price it is, a hen the size of a small elephant had something going for it. Dad is overjoyed, but attempts to duplicate the mixture lead to some less happy consequences, including — though this can hardly be called unhappy — the disappearance of a grand. And really that is that. Like its precursor and companion, *The Twits*, this is a book which makes much, and tries to make a virtue, of exaggerated heartlessness as if Mr Wonka or Chocolate Factory had been deprived of everything except his talents for rudeness and brutality. Rather like George's medicine, the first time round the effect was quite surprising in a rapidly changing world. It will not do and the ending points this up: "For a few brief moments he (George) had touched with the very tips of his fingers the edge of a magic world." Not in my book.

David Wade

Upstairs from Holmes

Arthur and the Purple Panic, *Arthur v. The Rest* (Robson Books, £2.95 each)

Here are two further adventures of Arthur, William Foskitt, the boy who lives upstairs from Sherlock Holmes and Dr. Watson — a "bright lad" and a "detective himself". The plot is as thick as a pea-soup, and anyone attempting a rational view and disentangle it should go away and try a nice quiet dictionary. Called in by Queen Victoria (herself) to help, Sherlock Holmes finds himself baffled. Inspector Leestrade is baffled. Dr. Watson is, of course, baffled. Why should the principal statutes in London be painted purple? Why indeed? It's jolly stuff, and I hope that no one gets the idea that the Eiffel Tower really had anything to do with it.

Having been voted *The Worst Village in England*, Lower Stoommumbly had lost its sense of pride. At the station the porter was a pig, assisted by a mouse. Arthur, arriving in this vale of tears by accident, decides that the village shall rise again, and in a campaign to cheer everyone up, sets up a cricket match against the insufferable "Upper Stoommumbly" (The Best Kept Village in England). Some nice cricket jokes (the word *googly* is Lower Stoommumbly for "idiot") and the whole book is a hymn to the virtues of Public Relations, and will no doubt encourage many a boy to that noble profession. Faps of Arthur will no

doubt seize on the ninth and tenth instalments with rapture. The rapture was modified, in my case, at 64 pages I found the story too rather a long time to tell, but then I haven't played cricket for years and I'm not a Holmesian or a small child.

Philippa Toomey

Milly Molly Mandy

The Joyce Lankester Brisley Book, edited by Frank Waters (Harper, £4.95)

March 31st 1911.... "Write to Lord Northcliffe asking if it would be possible for him to see us on Wednesday, April 5th."

The diarist was 15 years old, and when they met, the formidable press Lord was charmed with her and her 13-year-old sister, just as he had been impressed by their homemade magazine, *The Wanderer* when chance had brought it to his notice. But he wasn't ready to allow them a career in his newspapers.

Instead he handed out sweets and recommended the two "clever little girls" (Joyce was six then) to Miss Brown, the Editor of *Home Chat*.

Frank Waters, the Editor of this surprising and agreeable book, has discovered a precious clutch of diaries, and from these he demonstrates that far from being a comfortably reared gentlewoman with a talent for writing, the creator of *Milly Molly Mandy*, and her two sisters, suffered from an overbearing father who denied them schooling and kept them shut up at home in Bexhill studying encyclopedias and depending on their own inventions for amusement.

At any rate, when the mother and daughters were obliged to flee to a new but penniless life in Brixton it was necessity which had Joyce and Nina contributing little drawings to *Home Chat* (6p for six in the early days, rising to a guinea six years later), and it was while Joyce was working at a dull commission that she drew "a row of country folk in their working clothes, and right at the end, a little girl in a striped top" and later, just as idly found herself wondering what sort of little girl she might be and working out a story about her. This went off to the *Christian Science Monitor*, was accepted, followed by another and then as young fans were demanding more she wrote *Milly Molly Mandy*, a professional story teller.

It would have been interesting to read their letters and identify exactly why Milly, that good and obliging little girl, leapt into their hearts. As well as Milly and Bunchy stories and an extract from *My Bible Book*, this anthology also offers her only full length novel, *Martold in Godmother's House*, but I found her touch with fantasy less sure and it is for the spontaneous gaiety of her short tales that Joyce L. Brisley will continue to be read and loved by many another generation.

Kaye Webb

THE OTHER AWARD

Coinciding with the run-up to Children's Book Week news has arrived of the winners of this year's Other Award. Given for "inspiring books of literary merit" this is always the most entertaining and unpredictable of our children's book awards, and this year's choice of commendations is well up to standard: A Strong and Willing Girl (Dorothy Edwards' set of stories about a Victorian girl going into service (Methuen £4.25); What is a Union? Althea's assault on metaphysics in 24 colourful pages (Dorchester £2.95); superbook *How to Survive* (Methuen £3.50); and some text-books which "reflect unselfishly the multi-racial composition of the British Isles." The Tattered House Books by Peter Heaslip (Methuen Education £2.50 per set).

Living landscape

The Hollow Land, by Jane Gardam (Julia MacRae, £5.25)

The first paragraph of Jane Gardam's *The Hollow Land* reveals a distinctive, familiar voice. The disconcerting thing is that the voice is William Mayne's, not Jane Gardam's. All down the page where I live there's dozens of little houses with grass growing between the stones and for years there's been none of them wanted."

Despite this stylistic and thematic debt, *The Hollow Land* is a remarkable book. The hollow land is the Cumbrian fells, pitted with old mine-workings, caves, tunnels. It is a model of human life, of the old, unfinished borings and diggings of the past unobtrusively shaping the present. Just as the past can erupt in the present, so the land gives itself a shake every now and then, in response to some subterranean impulse. "It was a shock when my grandad flattened his leg. In light Trees' Home Field. It just suddenly ripped about and threw him down."

The speaker there is Bell, whose family have farmed the land they live on for centuries; the listener is Harry, whose London family has leased Light Trees farm for holiday use. The interweaving of their two cultures and languages over the years is one of the themes of the book's linked stories. The point of these stories is never quite where the reader is looking; it lies not in statements but in cadence. In the prose, something is very gently asserted: the value of a tradition to which the concept of "progress" is wholly alien. In the last story, set after "the Crisis", life goes on as it always has.

Jane Gardam's ear for individual patterns of speech is acute; speakers are safely left unnamed. The dialogue is precise enough to convey both the social surface and the emotional undercurrents of a scene; the dry land and the secret water underneath.

Neil Philip

How Playboy turned the tables on itself

The loss of its two principal London casino licences, if upheld on appeal, would be a catastrophe for Playboy. Gaming Board objections are already outstanding against its other London casino, the Victoria, and its provincial clubs in Portsmouth and Manchester, and yesterday's decision of the South West Minister Licensing Justices that the company is "not fit and proper" to conduct gaming jeopardizes severely its chances of obtaining a permanent licence for the lavish new casino-hotel it has just opened in Atlantic City, in America, at a cost of \$135m.

In their last full years of operation, Ladbroke obtained 55 per cent of group profits from its casinos and Coral 33 per cent. But no less than 97 per cent of the Chicago-based Playboy Enterprises Inc's pre-tax profits came from its London casinos and, as our chart shows, in previous years they dropped up the entire group, the rest of which was running at a large overall loss. Coral collapsed when the cash-flow from its casinos dried up, and the future of the Bunny empire now looks extremely rocky.

That a decision involving tens of millions of pounds should rest with a bench of lay magistrates, while minor wrangles over a few thousand pounds invariably command the full majesty of the High Court, is a quirk of the Gaming Act.

That is not to say that the five Justices who presided over Playboy's fate during the last three weeks were anything but diligent. Lascivious spectators hoping for a public airing of the meth-

Casinos: key to Playboy's profitability

Analysis of pre-tax profits (Source: Annual Report to Shareholders for 1980)

(All figures in US\$ x 1,000)	1980	1979	1978
Magazine publishing	14,744	11,304	11,132
Clubs & Hotels	(4,937)	(478)	(3,429)
Other businesses	2,743	(6,311)	(3,077)
Corporate administration and promotion	(18,458)	(15,743)	(13,347)
Interest	6,112	2,990	449
Foreign exchange	441	1,149	982
Other, net	237	—	—
Casinos	31,196	34,926	23,874
Total	\$32,078	\$27,836	\$18,934

Figures in brackets indicate outgoings/losses.

ods by which Bunny girls acquire fur coats and Ferraris. (and, more recently, the attentions of the Inland Revenue) may have been disappointed by a line-up of witnesses that included three chartered accountants, two solicitors, one admiral and no Bunnies at all. But the magistrates remained attentive, formal and courteous throughout the 11-day hearing.

Playboy was largely successful in countering the detailed allegations levelled against it, and made limited admissions on those that remained. Fielding no less than three QCs and two juniors, it conceded that between 1975 and 1977 there were occasions when members drew cheques on banks where they had no account, and that this occurred with the knowledge of manage-

ment, but Mr Robert Alexander QC was at pains to point out that this had to be viewed in context.

Between January 1976 and June 1981, Playboy's casino turnover was a staggering £660.3m. Of this, £344m was in cheques (£250,853 of them) and £224m worth were dishonoured. Of an Arab merchant named Beh-Behani from whom Playboy accepted valueless cheques totalling £2m it was pointed out that he had dishonoured others totalling £16m. Currently, Playboy is owed £9.9m. There were 492 no-account cheques involving an aggregate of £2.693m.

Other admissions included the fact that Clement Freud MP had gambled in both casinos while a director and trustee of the company, that certain gaming debts had



Clement Freud: a Playboy director and trustee criticized for his gambling

been settled at a discount, that eight hall porters at five London hotels had been given free membership to enable them to bring in residents at their hotels as "guests", and that a Lebanese member, Abdul Khawadja, had been permitted persistently to "misbehave" in the casino.

The Metropolitan Police and the Gaming Board argue that the scale on which Playboy accepted worthless cheques constituted a deliberate scheme to advance illegal credit to members, that the method of Freud's gambling (as well as the fact of it) had been irregular, that Khawadja had been a procurer of Bunny girls for immoral purposes, and that Playboy had deliberately misrepresented to the Gaming Board the true indebtedness

of its members to the club. This Playboy disputed. The irony of the whole case, it emerged, was that although the detailed allegations and admissions were serious they were not necessarily fatal to the licences, but the steps Playboy took to deal with the objections probably were.

The Gaming Act 1968 was brought in to subject casinos to proper control after their legalization in 1960 had led to a mass arrival of American Mafia interests. The Act introduced licensing and prohibited foreign control of British casinos.

Uniquely, Playboy was permitted by the Gaming Board to circumvent this by setting up a trust in Britain. This held the shares of Playboy's London company under the control of trustees resident in England, for the benefit of the parent company in Chicago. Control was thus supposedly vested in Britain, and the trust undertook never to alter the company's articles of association without the Gaming Board's prior consent. Only on this basis did Playboy acquire its licences at all.

Last April, however, Hugh Hefner, Playboy's founder and group chairman in Chicago, reacted to the initial police and Gaming Board objections by firing his London supreme, Victor Lowmes.

Lowmes was not only chairman of the British company but a trustee as well, and firing him was both an exercise of foreign control and was effected by altering the company's articles of association without the consent of the Gaming Board. It showed, indisputably, where the real power lay, and the

Gaming Board reacted by filing further objections incorporating these points and objecting to Lowmes's successors, who have no casino experience.

Not surprisingly, Lowmes, who emerged unscathed from the licence hearings, considered his dismissal a mistake. He commented recently: "I really think that the breach of the trust is the most serious of the violations of confidence that the Playboy people have to face."

"This (trust) is set up to give absolute assurance that at all times the people who managed Playboy's casinos here would be the same people who could be held responsible for the management of Playboy's casinos here, and that the people off in Chicago and Los Angeles, and other American hotbeds of violence and crime, would have nothing whatsoever to say about how we were doing and running the casinos."

"I suppose they panicked when they heard that there were some objections, albeit paper ones, that were flung at us in connection with their licence renewals, and then their true hand was manifested and they came charging in to take over everything."

The Gaming Board's counsel, Mr Simon Tuckey QC, was more pithy. "I have no doubt," he told the Justices in his closing speech, "that people will be saying, how could they be so silly, how could they be so stupid, when by doing so they risked killing the goose which is laying their golden eggs."

Douglas Bell

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Sir Geoffrey keeps the brakes full on

If you believed the Government, you would think the latest round of interest rate increases was something which had blown in from across the Atlantic. Very regrettable, of course, and bound to postpone the recovery which was about to start at any second, but something which is essentially nothing to do with the policy being pursued here at home. Indeed, the Chancellor, Sir Geoffrey Howe, argues (with some justice) that lots of other countries are only now starting to move down the road which we in Britain began some years ago.

The truth is rather different and it points up the key difficulty in its economic strategy which the Government will face as it enters the second half of its term of office. It is something which is the real source of the Government's belief in "There is no alternative."

Not simply that the Government's policy is all but ruled out. For by whatever route it comes, an economic recovery would run slap into the Government's pledge to hold down the money supply. Examining economic forecasts and getting involved in theoretical debates about whether or not a government stimulus is beside the point. No economy will recover naturally if the government of the day stops it doing so.

So that, it is now clear, is Government policy. The flurry over exchange rates has diverted attention from the fact that the Government would have had to raise interest rates in any case to meet its monetary targets. The announcement of the first increase in interest rates said that one factor was an increase in private lending by the banks. Yet that kind of lending, whether to individuals or to companies, is essential if the private sector is to fuel a recovery.

So by raising interest rates to curb this kind of bank lending, the Government is simply imposing an old-fashioned credit squeeze. Perhaps the easiest way of seeing what this means for the economy as a whole is to go back to the Government's medium-term plan, something which the Chancellor has so far always done at moments of decision like this year's heavily deflationary Budget.

According to the terms of that plan, money supply is to be allowed to grow by at most 10 per cent this year and (subject to review) nine per cent next year. If you look on these figures as being a sort of national cash limit, which is not too bad a way of interpreting how the Government now sees them, that means that inflation and growth added together ought to be about nine per cent.

Mr Nigel Lawson, chief intellectual defender of the Government's strategy when he was at the Treasury, went out of his way to explain things in these terms after the last Budget. He pointed out that in the year to next spring, money supply is being allowed to grow by 10 per cent, inflation was expected to be only eight per cent and the rest left room for significant growth.

Unfortunately, inflation is now expected to be more than eight per cent by next spring; so the margin for considerable growth has gone. Even worse, the country's natural heritage, but once the law has been changed in this way, it will shape behaviour on the ground. The Government is at the very least in a sticky position as far as the law on compensation is concerned, at the discretion of the conservation agencies, rather than mandatory. This will not be a good thing, but it may be remembered as the instrument which actively worsened the prospects for Britain's landscape, flora and fauna.

Robin Grove-White
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flation rising again would seem to confirm all those fears.

What does this mean for the battles ahead in Cabinet this autumn over such things as public spending? At the centre of the Treasury strategy is the idea that the debate must be made one about whether money goes on public spending or tax cuts. Last year the Chancellor brandished the stick of tax increases and then surprised everyone when he actually used it. This year the debate is different. The carrot is that if the spending ministers will only moderate their demands, there will be money available for tax cuts, especially reductions in the national insurance bill which industry pays.

But this debate between spending and tax cuts, though important, is an economic sideshow. What the Chancellor is really after is holding down the level of public borrowing and also holding down the level of private borrowing so that the total amount of money in the economy does not exceed his guidelines, which it has been showing a strong tendency to do over the past six months.

The Bank of England made clear in its Quarterly Bulletin that interest rates would probably have risen in the summer if the civil servants' strike had not allowed companies to hold on to cash by not paying their tax bills. As they start to do so, their position will tighten and they will find borrowing to finance their

The fear that the sacrifices of the past two years could be in vain is very great

stocks even more expensive. It is not surprising that business confidence has fallen back sharply.

A sluggish economy in 1982 is not a by-product of a world interest rate war or an unfortunate consequence of problems in restoring confidence. It is essentially the goal of the Government's policy.

Is there any way out of this mess? The only options are a change of course, recognizing that the reduction of inflation is going more slowly than the Government hoped and loosening the monetary targets to take account of the fact that the course could be forced on the Government if there is a genuine sterling crisis which it cannot handle.

A lower exchange rate would boost demand for British goods, cut our imports and increase surplus at the cost of higher inflation. Or there could be a genuine domestic policy change, in which Cabinet would reject further spending cuts or tax rises and also reject higher interest rates to squeeze private borrowing. That would almost certainly be accompanied by a new fall in the pound.

The other option is to try to stay within the present policy guidelines by bringing down the inflation rate faster than currently seems possible. That could be done by big cuts in indirect taxes such as VAT, or by subsidies to the nationalized industries, or finding a way of getting rid of the medium-term financial straitjacket into which it has so carefully sewn itself.

David Blake
Economist, Editor

The threat still hanging over the countryside

It is now clear that the Wildlife and Countryside Bill, which is in its final House of Lords stages, will deal a massive blow to practical hopes of conserving many of Britain's most important wildlife habitats and landscapes over the coming decades — unless it is changed. For recent events, particularly controversies over land drainage at Halvergate Marshes in Norfolk, are pushing the Bill to an unexpected climax next week.

The source of the difficulty is amendments introduced to the Bill by the Government in July. These would so alter the relationship between farmers and conservation bodies, such as the Nature Conservancy Council and national park authorities, as to make the prospects for wildlife habitats and landscapes significantly worse than they are now. And as pressures for greater agricultural production increase in the 1980s, the position will grow steadily more critical.

Two crucial new clauses, 31 and 39, go to the heart of the Bill's approach to conservation. They mean that in future any farmer in a national park or Site of Special Scientific Interest (SSSI) whose application for grant aid is denied on conservation grounds will have to be offered financial payments equivalent to the profits he

might otherwise have expected. This is a remarkable new principle in itself. It puts farmers on a wholly different basis from the rest of the community. It gives legal expression to the surprising notion that a farmer has a right to grant aid from the taxpayer: if he is denied it in the wider public interest, he must be compensated for the resulting, entirely hypothetical, "losses".

This had not previously been so. Agricultural grants have been withheld in controversial cases with no obligation to pay annual compensation. For example, grants were refused in 1978 at Amberley Wildbrooks in West Sussex and at Lockton High Moor in the North York Moors national park. Because the agricultural developments that would have followed would have been damaging to the areas, the question of compensation arose. Yet the Bill's new clauses will change all this.

There is, however, even greater cause for concern. The Bill requires compensation to farmers to be paid not by the Ministry of Agriculture, whose relentless promotion of new farming methods through the grants system is now the source of many conflicts, but from the meagre budgets of conservation agencies such as the Nature

Conservancy Council (£8m in 1980) and the ten national park authorities (£4.8m in 1980). Such an approach could work only if the agencies could afford it. Without the cash, they will simply not be able to object to the many controversial (and even mischievous) grant proposals that will arise. The cost of winning will simply be too severe for them under the new system.

But there is no prospect whatsoever of adequate funds being available. Two current controversies show why. The first concerns Exmoor, long an arena of conflict between pressures for agricultural improvements and the national need to preserve wild uplands. Guidelines negotiated this year mean that farmers who do not benefit from grant aid to plough moorland will receive annual payments on a loss-of-profits basis.

Such payments may well be possible (with 90 per cent grant from the Government) for the national park authority on Exmoor, where moorland losses are now running at less than 100 acres a year. But over the country at large, more than 12,000 acres a year of moorland are disappearing. To stem this national rate of loss using the Exmoor model would cost £8m a year (and rising) in compensation within the decade — an unthinkable burden for precarious national park authorities.

Protection of the nation's wetlands, an important flora and fauna, presents a similarly improbable picture. At Halvergate Marshes in Norfolk, 19 farmers are negotiating payments of £55,000 a year, because they will not benefit from a grant-aided drainage scheme. On this basis, it would cost more than £1m a year to safeguard the remaining important wetlands on the Broads alone — quite apart from wetlands elsewhere.



Such cases are the tip of an iceberg. Yet it is the Exmoor and Halvergate approach which clause 31 and 39 will write into law as the way ahead for conservation. Where conflicts arise with agricultural efficiency, protection of nationally important habitats and landscapes will be possible only if huge and continuing sums of money are paid, to match the

profits from other publicly funded investments. Such money will not be available. So conservation will go to the wall inside and outside national parks. Meanwhile, the Ministry of Agriculture's grants system pushes on through the recession.

There is a rich irony to all of this. When the Wildlife and Countryside Bill left the Lords

Halvergate Marshes, Norfolk: its peaceful appearance disguises a conservation issue with serious implications for Britain's wildlife

In March, it contained a promising clause enabling Ministry of Agriculture funds to be used by local farmers for a wide range of purposes, from simply increased agricultural production. This was the "Sandford amendment", so called after former Tory Environment Minister, Lord Sandford, who had pushed it through against the Government's wishes.

The clause won votes from some Tory peers, who welcomed its promise of a healthy upland agriculture evolving in sympathy with national park objectives. In the Commons, under agricultural pressures, the Government quickly got rid of it by clause 39 as a replacement.

The difference is stark. The clause would have meant that farmers would have begun peacefully to harmonize agriculture and conservation in sensitive parts of the country. By contrast, the Government clause meant that farmers would be bound to intensify recent friction between farmers and the rest of the community.

Such an outcome cannot be wanted by the enormous numbers of farmers personally committed to safeguarding the country's natural heritage. But once the law has been changed in this way, it will shape behaviour on the ground. The Government is at the very least in a sticky position as far as the law on compensation is concerned, at the discretion of the conservation agencies, rather than mandatory. This will not be a good thing, but it may be remembered as the instrument which actively worsened the prospects for Britain's landscape, flora and fauna.

Robin Grove-White
The author is Director of the Council for the Protection of Rural England.
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Buchanan's

The Scotch of a lifetime

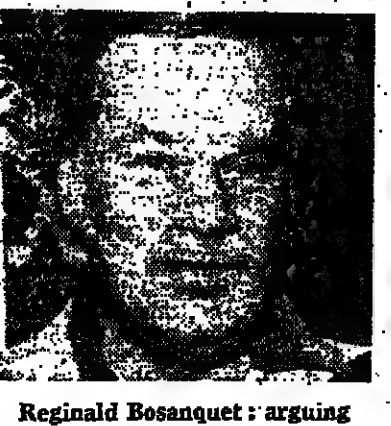


What's a nice chap like Reggie doing...?

Reginald Bosanquet was arguing with his devoted secretary, Nick, about whether he should drag his tortured body from bed in order to concentrate on important new television plans when I called his Chelsea flat yesterday.

The inviolable Bosanquet, victim of his own charitable good nature on Saturday when he collapsed during a sponsored bed-push up Ben Nevis, is trying to convalesce while putting the final touches to a new chat show series.

Bosanquet, who raised £1,000 under David Frost's patronage for the International Handicapped Children's Fund, said: "I've discovered music. I never knew I had. But let me make two things clear: I wasn't revived with brandy and I'm a lot fitter than my collapse suggests. I can normally get through two or three hours tennis, you know. I fainted on the



Reginald Bosanquet: arguing

THE TIMES DIARY

SDP

Despite its youthful innocence, the SDP has already achieved a level of sophistication in the art of marketing and money-making which must be the envy of its elders in the political world. The last selling party so far in the foyer of Perth City Hall yesterday was crowded throughout the day as eager party members paid for reminders of their first conference. The goods on sale range from whisky glasses and paperweights made in the Cuthberts constituency of Robert MacLennan and selling for £30 each to small furry animals called SDP Furries at 35p each.

The entrepreneur behind this sales drive is Anthony Martin, the SDP's marketing and membership services

way up, but I'd climbed 1,000ft and I'd only said I'd do 500ft." Propped up by a mountain of pillows, the 49-year-old Bosanquet, once Lord of the ITN newscasters, said he was now trying to organize financial backing for a show with the working title *What's a Nice Chap Like You Doing*...

manager. A former marketing manager for the Sunday Times and Financial Times who was also running for the job of publicity director for the Conservative Party, he relishes the opportunity of using the SDP's badge for the nation and making a few bob for the party in the process.

Martin expects a turnover of about £10,000 on his stall this week. Every thing sold on it has been made to special party design in the past six weeks. He is particularly pleased with the SDP dice which were selling well yesterday at £3.75 each and with copies of the *Linehouse Declaration*, signed by the Gang of Four and available in gold frames for what he regards as the giveaway price of £12 each.

He is doing very well, thank you, since accepting Bernard Levin's advice to "ride the tiger" and leave ITN. Since 1979 his writings have kept him in the manner to which he is accustomed.

His own professional dislikes are doctors and lawyers. "You can be hanged and still have to pay your lawyer or die of cancer and still have to pay your doctor," he said.

M le Président

For the first time the Dickens Fellowship has chosen a French president. He is Sylvère Monod, Professor of English at the Sorbonne, who, according to Dr David Parker, of the Fellowship, speaks English better than many a native and is interestingly known for his translations of Dickens into French

and as an authority on the novelist. Monod takes over this month and will attend the Fellowship's chief functions. He succeeds Mrs. Edna Healey, wife of Denis, who, according to Dr Parker, has been a most excellent president, lecturing on Dickens when she accompanied her husband abroad.

Meanwhile the Fellowship, with £10,000 received from the Heritage Foundation Trust, will this winter undertake a major work of reconstruction in the Dickens House in Doughty Street, London. With the help of furniture in the Fellowship's possession, some being acquired, and some lent, Dickens's drawingroom on the first floor is to be reproduced. A sketch by George Cruikshank, Dickens's illustrator, of the novelist in the corner of the room will be a help, and the walls are to be scraped to find the colour in the late 1830s when the house was occupied by the Dickens family.

Taken as Red

An intriguing tale of an armed landing by Russians in the Shetlands (right under the nose of an RAF early warning station) reaches me from Leslie Thomas, the best-selling author, who discovered it during his researches for a travel book, *The Hidden Places of Britain*, to be published soon.

One stormy night in the early seventies, he says, a Russian trawler went aground near Muckle Flugga Light House. Bertie Priest, who lives in the most northerly house in Britain, *The Ha' on Uist*, told him he got the crew ashore with the help of his twin brother Charlie but the boat broke up and during the next few days various boats, including

the steering wheel, found its way to the shore.

Long after the incident Charlie Priest was ploughing his fields when a line of heads appeared over the horizon. To Priest's surprise they belonged to Russian sailors, uniformed and armed with sub-machine guns. Within moments Charlie was surrounded.

After using his telephone the Russians demanded whisky which they drank in vast quantities at the village store in Northwick from which they staggered away to take pot-shots at sea-sulls.

Then they demanded to know the whereabouts of the missing steering wheel. The word went round Uist and eventually it was located—under one of the airmen's beds at the RAF camp.

According to Thomas, Bertie and others carried it to the beach only to find the Russians had cast off in a small boat to join their ship. Unable to turn back because of the surf, they vowed they would return to claim the wheel.

But they never did, and today the Priest brothers still retain it. "There's a picture in the book to prove it," says Thomas.

Michael Horsnell

Harlech land

Lord Harlech, who has been in the news for his alleged involvement in the sale of the Harlech estate, has been found to have been involved in the sale of the Harlech estate, which was sold for £10m to a consortium of companies. There is a suggestion that the sale was a sham, and that the money was used to finance the Harlech estate. The Harlech estate is a large estate in North Wales, and has been the subject of much speculation in recent years.



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234.

THE FLEXIBLE SIDE OF EMS

The European Monetary System has emerged remarkably well from this weekend's realignment of its major currencies. The exact timing of the change was determined by the governments themselves, rather than by immediate market pressures. Although there has been substantial intervention in defence of the French franc in the months since the election of M. François Mitterrand as president, there is no sign that membership of the European Monetary System has made that intervention any greater.

Indeed, by providing an assurance of some stability in the immediate aftermath of the left-wing victory, membership of the system, almost certainly made the task of the French authorities easier. If the French franc had been floating freely in the foreign exchange markets, there would have been a natural expectation of a big and immediate drop in its value in the summer. This would have encouraged speculative attacks.

The EMS has thus survived a potential source of major disturbance in the foreign exchange markets. Equally impressive has been its ability to cope with the day to day problems of a floating regime elsewhere in the world since it was set up. The past two years have seen huge swings in the parities of world currencies, few of which have been

justified by underlying economic circumstances. Ten years' experience of floating exchange rates has shown that the system has a built-in tendency to instability. As soon as a currency is perceived to be overvalued (or undervalued) the market tends to exaggerate the movement which ought to take place. The EMS has given the member countries at least partial stability in that unsettled world.

Yet the events of the past week also show the limitations of the EMS, which in some ways has had a fairly easy ride until recently. The strains to which such a system is subject come essentially from the tendency of the German mark to rise and the French franc to fall. This tendency reflects long-term patterns of inflation within the two countries, tendencies which have been intensified by the election of a French government promising to put more emphasis on growth.

Over the past two years this source of tension has been swamped by the weakness of the mark and the strength of the dollar. Although German inflation has been lower than that of France, it has been the mark which has been weak for much of the period since the system was formed. That is clearly changing. The mark is strengthening against the dollar and may continue to do so. This will once again raise the

question of whether the Franc can afford to rise with it.

Whatever the other benefits of the EMS, it clearly does not, by itself, succeed in removing disparities in inflation. The relative ease with which the latest realignment was carried through is bound to weaken further the idea that it represents a system of fixed exchange rates which will force countries with high inflation rates to bring them down in order to stay in line.

Britain is still not a member of the exchange rate mechanism even though it participates in other parts of the system. The new parties are clearly more realistic and the system is therefore now more robust. It thus ought to be easier for us to take our place as full members in the exchange rate mechanism, giving our manufacturers currency stability with markets which account for half their trade.

There would, however, need to be an acceptance by the Government that the pound can only go into the system at a lower level than its current parity. Even after the latest changes, the pound is overvalued against the mark. Entry into the exchange rate mechanism can only be justified as an economic decision, and not as a gesture intended to make Britain appear "European". The economic arguments now favour entry and Sunday's events make this a good time for Britain to join.

THE REASONABLE PARTY ON TOUR

The first impression of the Social Democratic rank and file, as they have been exposed to public view in Perth for the past two days, is of a friendly, sensible, well-intentioned and essentially middle-class group of people. The proceedings have been serious, sedate, and somewhat dull. It might perhaps be a mistake to make too much of the dullness. Political parties ought not to be judged on their entertainment value. Indeed, it is precisely those qualities which make a Labour conference such a dramatic spectacle that least fit the party for government. There are also a number of special factors in the case of the Social Democrats. Because they have no agreed constitution yet, and nobody at the conference can therefore be held to represent anybody but himself, no votes are taken. This is understandable in the circumstances, but it is hardly conducive to a sense of drama. Nor are members of the conference likely to become engaged in heated disputes so long as the formation of policy remains in an interim and tentative stage.

The issue on which there has been most disagreement is over how the leader in Parliament should be elected. The

majority of the steering committee believe that the choice should be left to the parliamentary party, subject to the approval of the party conference if the election has been contested by more than one MP.

The minority on the steering committee favour election by the whole party, on the basis of one person, one vote. To judge by the debate in Perth on Sunday afternoon, the Social Democrats will be sensible enough not to tear themselves apart on the issues that have caused so much torment to Labour. But the balance of applause in the hall suggested that the SDP may possibly go for popular election. The question is admittedly more complex in the case of a party with only a few MPs now and the expectation of good many more after the election. Yet the basic truth remains that it is members of Parliament who are best fitted to make the wisest choice because they have seen the rival candidates at close quarters under trying conditions over a period of time. Labour would be better off now if they had never changed from that system and the SDP would be wise to adopt it. But the spirit in which any system

is operated matters more than the details and the Social Democrats seem to stand a good chance of holding a leadership election without rancour.

Social Democrats are moderate people with moderate policies, which is both their strength and their weakness. It is their strength because it accords with the moderate instincts of the British people. It is their weakness because in the aftermath of Brighton they now need to seize the initiative. They have gained a great deal of ground already as the reasonable party in between Mrs Thatcher and Mr Benn. But after Mr Benn's defeat, narrow though it was, it is no longer enough for the Social Democrats to distinguish themselves from Labour by contrasting their own behaviour with that of the hard left. They must also impress the country with the difference between their policies and those of Labour. This policy gap was confirmed at Brighton: the fight back of Labour's right wing on the critical policy issues has scarcely begun. The challenge for the Social Democrats this week is to show that they are something more than Labour with a friendly face.

HOP ON A BUS ON THE RATES

It is not often these days that a price falls, let alone with a guarantee that it will not rise again for three years. But there seems to have been a great joy among London transport users, no great flow of extra customers, no perceptible lightning of the usual spirit of morose harassment among those on the treadmill. Perhaps they were thinking of their supplementary rate demands, boosted to pay for the fares, or reflecting that lower fares at rush hour must mean longer queues. More urgently, they must have been wondering whether the train or bus would ever come, and whether it would get them to their destination without breaking down if it did.

There is a certain frantic splendour about the Greater London Council's attempt to break free of the classic public-service cycle of falling revenues leading to poorer services, which in turn drive more customers away. That has been the trend of the past 30 years, and other things being equal it has shown no sign of changing. But the cut in fares, averaging 25 per cent, is hoped to make traffic grow again — though only by an eventual 10 per cent. Even if the best hopes are fulfilled, the plan will deliberately involve a permanent increase in

subsidy. The cost to the taxpayer will be more than £200m in the first full year alone — much more than the council had planned because of the penalties the Government has imposed on high-spending councils. The GLC's present and predictable financial situation is such that it may well be unable to sustain the new fares policy for long.

Compared to public transport in other great cities, London Transport is not heavily subsidized. The Paris Metro, for instance, has half its costs met from subsidy, while London Transport gets only a quarter. The case in principle for subsidy of such services is strong. Even the relatively small additional cost of encouraging the fullest use of a heavy capital investment in bus and rail systems, and the great social advantages of reducing congestion on the roads. The new fares move towards a simplification of structure which should make possible valuable savings in time and manpower.

The folly of the GLC's course lies not in raising subsidies as such, but in devoting the extra money to the wrong ends. It is a bad principle of investment to subsidize revenues rather than capital resources. Lower fares

will encourage some to travel who could not have afforded to do so before. But a much larger number avoid public transport because of its failure to provide convenient and reliable services. The high subsidies of the Paris Metro have gone into better trains and stations. The difference shows, most significantly in the rate of passenger use.

London's system, by contrast, is dilapidated and unreliable. Years of underinvestment and bad management have left their mark. The last administration at the GLC had its own follies of grandeur in unwarranted capital projects like the Jubilee Line. Some advance has been made, though only recently, towards improving integration between rail and tube and bus. Only rudimentary gestures have been made in the new fares plan to encourage travel out of peak hours. Politicians and managers alike have failed to come adequately to grips with the fact that improving efficiency must mean reducing the system's chronic and ingrained overmanning. Subsidy of an unsustainable fares bonanza squanders ratepayers' money for no lasting benefit, while judicious subsidy of better machinery and better management will bear fruit far into the future.

Time limits are, of course, applied to every permission by statute in order to enable planning authorities to review them and take account of changes in circumstances and policies. It is significant that no suggestion was made during the recent inquiry at Harlech, or in the Secretary of State's decision letter, that the Gwynedd County Council, the Snowdonia National Park Committee, or the old Merioneth County Council had acted improperly in any way.

Yours faithfully,
JOAN BOWEN REES,
Chief Executive,
Gwynedd County Council,
Caernarfon,
October 1.

Harlech land sale

From the Chief Executive of Gwynedd County Council

Sir, Lord Harlech (September 26) appears to have acted with his customary generosity in selling land in 1986 to the old Deudraeth Rural District Council, one of the small authorities wound up in 1974. There is, however, no justification for the IDC Group's criticism of the planning authorities involved, neither of which ever dealt in the land or inherited Deudraeth's profit.

In his letter to you (September 24) the group chairman, Mr. Howard Hicks, omitted the most important fact of all from his catalogue: the outline planning

permission granted by the old Merioneth County Council expired in 1975 and only in 1978 did the company seek to revive it. By then the Gwynedd structure plan had been approved by the Secretary of State after a public inquiry, and not only had firmer policies been introduced to conserve the splendid landscape and unique society of Gwynedd but the role of the National Park Committee had been strengthened by the Local Government Act, 1972.

Circumstances had also changed: the second home problem had become much more evident, while the possibility that another small Merioneth resort, Aberdovey, might be swamped by 400 houses had caused a public outcry.

Unions and democratic-procedures

From Mr Tom Hooson, MP for Brecon and Radnor (Conservative)

Sir, British democracy certainly has its problems. Its imperfect workings reach their most realistic shores in the ways more than a few trade unions practise their democracy. The present attempt to hijack the Transport and General Workers Union vote in the Labour Party's deputy leadership contest merely exposes the way in which, month in and month out, the apparent voice of apolitical mass memberships is manipulated by ventriloquists.

The time has come for Parliament to use its authority as the only trade union of the whole nation to sort out the defective democratic methods in trade unions, over which it is sovereign. The fact that trade unions have privileges matched in no other way by any other body in the country is Parliament's duty to lay down the law under which trade unions should earn their privileges.

We can debate what those privileges should be, but provided the Government brings in a Bill of sufficient scope to provide a basis for development. Obviously the supremacy of union members' votes must be established and secured as a suitable occasion to adopt what Australia and Belgium do in general elections — making a vote compulsory — as a condition of union membership. Here is a way

to tackle the disease which has allowed manipulators to purport to speak for overwhelming numbers who would utter no such views, had they voted.

Anyone who has read George Orwell's conclusions about the need to cleanse political language from double-speak will see that there is a parliamentary duty to outlaw double-speak as well, for subversion of democracy starts by confusing both language and procedures.

Since 1969, politicians have learned to touch trade union affairs in gingerly fashion. Times are changing, and Jim Prior laid the groundwork for this change. He was right to limit first steps in this Parliament's reform of trade unions to such blatant abuses that he carried three trade unionists in every four with his plans — and made the day of general strike against the Bill a fiasco.

Now the national climate is right for more forthright reforms which Conservative, and many other, MPs will expect from the Government. Many Tories who like myself refuse to be labelled wet or dry will feel that the next step is a natural consequence of the first and is given fair weather by the success of the first. Its acceptance by most union members is not in doubt, if we tune out the ventriloquists.

Yours sincerely,
TOM HOOSON,
Maesnawr, Brecon, Powys.

Marriage contract

From Mr James Hill, MP for Southampton, Test (Conservative)

Sir, May I take this opportunity to contest the criticism of my suggestion (September 5) that the law no longer sees divorce as a breach of contract although it sometimes behaves as if it were, in the award of maintenance?

The legal facts are these. Before the Divorce Reform Act 1969 came into force in 1971 one of the parties to a divorce had to be proved guilty of a matrimonial offence and financial settlements were made on the basis of a wrong had been done. A divorced wife who was innocent, as I see it, who had broken no lifelong contract, was seen as having a lifelong right to support.

Since the 1969 Act, the obtaining of a divorce is no longer party to be guilty of an offence but simply that there should have been an irretrievable breakdown. In practice either party can effect a divorce by living apart from the spouse.

To counter (some would say to counteract) the changes in the Divorce Reform Act, the Matrimonial Proceedings and Property Act 1970 also came into force in 1971. This contained important provisions (now enshrined in section 25 of the Matrimonial Causes Act 1975) to judges in the award of financial settlements.

Judges are asked both to consider all the circumstances of the case, including income, earning capacity, property, financial resources, needs, obligations and responsibilities, standard of living, ages of the parties, duration of the marriage, mental and physical disabilities, contributions to home and family and pension rights and to "place the parties, as far as it is practicable and, having regard to their conduct, just to do so, in the financial position in which they would have been if the marriage had not broken down."

In short, I am proposing a simplified, accessible and practical approach to an area of the law where the principle of a contract for life conflicts with changing social patterns and attitudes to marriage and to work.

Yours faithfully,
JAMES HILL,
House of Commons,
September 28.

Church and churches

From Dr Lewis Smith

Sir, I am moved by Mr Lube Bush's letter of yesterday (September 26) to write a note in support, both of his attempt to save some of the historic (and "disused") Roman Catholic churches in Liverpool and of his courteous request for a more responsible public debate, not confined to Roman Catholics, before decisions of this kind are made, often upon a very shallow theological-Benjaminite set of principles.

I am sure that Archbishop Worlock would have been equally horrified, but I do remember a very few years ago sitting in the common room of one of the more homologically lively Roman Catholic communities in Oxford and watching a television programme on the destruction of our historical and cultural (and yes, aristocratic and capitalist) heritage in the form of English country houses: as the dynamite exploded and the facades crumbled cheers of delight went up from the Christian Marxist assemblage. I believe that nowadays, at least, such matters are better ordered in Russia and China, to go no further.

Beneath the emperors

From Mr Christopher Derrick

Sir, Must we always see this world as divided by a vertical line, into an American-led US and a Soviet-led East? In a recent leader on unilateralism ("Two worlds, dressed Emperors," October 2) you appear to take such a model for granted, saying confidently that "One emperor is on our side and the other is not"; and you therefore reach no very helpful conclusion about this sickening nuclear paradox.

Isn't it time for some "lateral thinking"? What if we started to see this world as divided by a horizontal line, into "us" and "them"? Above that line we find government, existing everywhere as a kind of continuum despite its regional and other rivalries, uniformly obsessed with power and therefore with armaments; below that line we find people, uniformly bled white by government power-mania and very likely to be killed by it in millions. (Not least in the Third World) versus mostly dove-like people everywhere: that's the real them and the real US. No emperor is on our side.

This suggests to me that the primary objective is to ensure the financial position of both parties should be as far as possible unaffected by a divorce. Briefly, a marriage may be dissolved but the financial ties are to be seen fundamentally as lifelong.

It is this assumption which I take issue with. All things being equal, marriage is a contracting-in to a standard of living for life.

Several factors favour my view. The increases recently in the number of divorces must show that many marriages are not seen as a lifelong commitment. There is the simple practical fact attested by Dr Colin Gibson in his letter (September 15) that many remarried husbands simply cannot fulfil a commitment to supporting two families. Thirdly, there is usually no insurmountable reason why a divorced wife, unless her children are very young, cannot go out to work. Some ex-wives can degenerate into the pathetic condition of what we call "widows in America" as "widows in Britain" are usually more resourceful.

Further, it may happen at the moment that an "innocent" husband may find himself asked to pay up to one third of his income to an ex-wife and be deprived of a matrimonial home. The stress these factors can put on a second marriage goes without saying.

I had not properly considered pension rights and Mr Lindsay's suggestion (September 12) seems a good one: it should be possible to award widows' pensions between wife and former wife according to relative "lengths of service".

The crossing consists of four superimposed bridges: the lowest is probably medieval; above it is the longer segmental arch of the mid-eighteenth century. In 1814, in order to facilitate coach traffic, this was raised by added masonry

and provided with singular and very pretty garter cast-iron railings made at Aberdare. The very railings on which the musing poet leant. Finally, in 1901, a steel lattice girder bridge was thrown across at an even higher level, and it is the rusting of the lattice webs of these girders which make repairs essential.

Had the replacement plans involved a modest structure demonstrating the elegance, grace and confidence of modern British bridge engineering, it could enhance, not detract, the scene.

The present expensive proposals involve two elephantine cast-iron girders 1372mm by 419mm with the deck capped by officially approved "Group 2" vehicle pedestrian parapets, the official drawing does not even acknowledge the existence of the 1814 railings, which would be hidden, and on one side destroyed. Space prevents giving my constructive suggestions, but surely in such a situation a little more imagination and sensitivity is to be desired.

Yours faithfully,
DOUGLAS B. HAGUE,
Industrial Secretary,
Council for British Archaeology,
Group 2 Wales and Monmouthshire,
Maesglas, Llanfahan, Aberystwyth.

Public sector pay

From Mr Peter Hordern, MP for Horsham and Crawley (Conservative)

Sir, Sir Patrick Nairne's letter (September 22) illustrates both the pride with which distinguished public servants such as he have in serving their country and their unaccountable failure to distinguish between the functions of the public and private sectors. For it is not a "meretricious distinction" that he suggests you have drawn between the wealth-creating and the public-service sectors. In saying there is a "need" for both, he seems to me to be Sir Patrick obscures the fact that the public sector depends upon the private wealth-creating sector for its very existence.

Nor, unfortunately, is the relationship between the two a static one. For while the numbers employed in manufacturing, which still accounts for 30 per cent of gross domestic product, have shrunk from 8.4 million in

1960 to 6.7 million in 1980, the total numbers employed in local government in England and Wales in the same period have risen from 1.5 million to 2.5 million.

Furthermore, the numbers employed in the Health Service, over which Sir Patrick himself recently presided, have increased from 575,000 in 1960 to 720,000 in June, 1980. And when one observes that the cost of wages and salaries in the NHS has more than doubled in the last five years (from £1.5 billion to £4.02 billion), an average increase of 17.6 per cent every year, we can get some idea of the very great strain that has been imposed upon the private sector.

Is it not time that the same discipline and restraint was applied to the public sector as has by force been experienced in the private sector?

Yours faithfully,
PETER HORDERN,
House of Commons,
September 23.

Auction premium

From Mr C. Wiseman

Sir, In reporting a settlement of the conflict between auction rooms and dealers over auction premiums, your Sale Room Correspondent (October 1) describes the agreement as steering "a brilliantly balanced course between the interests of the two groups". But what, may one enquire, about the interest of the public at large?

According to the report the dealers have so far spent about £150,000 on legal costs alone and one may perhaps fairly infer that they were confident they could prove that the auction houses were (and are) in breach of the restrictive trade practices legislation. If there is indeed such a breach, is it in the public interest that no steps should be taken to remedy it simply because the auction houses and the dealers have come to some private arrangement in their own interests?

Yours faithfully,
C. WISEMAN,
Lytton Lodge,
The Drive,
Snaresbrook, E18,
October 2.

The proper study

From Mr Jeremy Howard

Sir, Pace Philip Howard (review of the Dictionary of National Biography, October) the prosopographical view of history predates both Sir Lewis Namier and the DNB. It was Thomas Carlyle who wrote that history was the essence of innumerable biographies.

Yours faithfully,
JEREMY HOWARD,
52 Clancarty Road, SW6,
October 1.

Guaranteeing jobs or academic freedom?

From Dr Peter West

Sir, The comments of Sir Peter Swinnerton-Dyer on academic tenure (report, October 2) are a veritable mine of misinformation. He criticizes older academics who do not put their weight and links this to his view that tenure is too easily given. But there is nothing in the rules governing tenure that says a don has a job for life without question. Failure to carry out the duties of his post is one of a number of grounds on which a university teacher can be dismissed, and such dismissals do occur though many more may be hidden by encouraged resignation.

Sir Peter argues that a don's ability cannot be assessed after only two years, but he completely fails to make clear the context of this two year period. It does not, after all, come two years after graduation. In most, if not all, subjects a new university teacher will have completed three, and usually many more, years of research. This research is usually accompanied by some part-time teaching of undergraduates. In consequence, there is a long period of endeavour to be assessed when choosing a new lecturer from the many with relevant experience. Coming on top of this, a two year period may easily be sufficient to confirm or refuse the initial assessment at the time of appointment.

Of course, in any system to give security of tenure to lecturers there will be cases where ten or twenty of thirty years after appointment an academic becomes a less effective researcher or teacher, though this is surely true of every walk of life. But Sir Peter to find a system that could predict performance even ten or fifteen years ahead with any great accuracy. Making

people wait for tenure may force them to publish more research papers, under the yoke of job insecurity, as the United States demonstrates. But good ideas cannot be forced out of people and the result is a burgeoning but ineffective research literature in which other people's ideas are manipulated in minute detail and each permutation published.

It is incontestable that ineffective members of any organisation are a burden on the rest. They should be encouraged to face their responsibilities or face the consequences of their inaction. However, this is entirely separate from academic tenure. Tenure was intended to give the academic critic freedom of expression. Your recent reports of changes in the SSRC Social Science Research Council suggest that now, more than ever in Britain, that freedom needs protection.

Yours sincerely,
PETER WEST,
9 Pendarves Road, SW20.

Devil's Bridge

From Mr Douglas B. Hague

Sir, When writing in 1824 William Wordsworth was not the first traveller to behold the "dread chasm" beneath Devil's Bridge: now thousands of visitors conveyed from Aberystwyth in British Rail's last steam train sample the scene and refreshments.

This true beauty spot is in fact so popular that it might have been expected that any proposals endangering the character and structure of the bridge spanning the gorge would have exercised the apprehension of the local community council. It did not. When a site meeting was called to discuss its fate, the councillors attended a choir practice.

It is in the face of such local apathy that I beg your space in order to plead with any readers familiar with this delectable spot to write to the Dyfed County Council, or the Welsh Office, should they share my distress.

The crossing consists of four superimposed bridges: the lowest is probably medieval; above it is the longer segmental arch of the mid-eighteenth century. In 1814, in order to facilitate coach traffic, this was raised by added masonry

Public sector pay

From Mr Peter Hordern, MP for Horsham and Crawley (Conservative)

Sir, Sir Patrick Nairne's letter (September 22) illustrates both the pride with which distinguished public servants such as he have in serving their country and their unaccountable failure to distinguish between the functions of the public and private sectors. For it is not a "meretricious distinction" that he suggests you have drawn between the wealth-creating and the public-service sectors. In saying there is a "need" for both, he seems to me to be Sir Patrick obscures the fact that the public sector depends upon the private wealth-creating sector for its very existence.

Nor, unfortunately, is the relationship between the two a static one. For while the numbers employed in manufacturing, which still accounts for 30 per cent of gross domestic product, have shrunk from 8.4 million in

Help for Poland

From Mrs Maria Niemojowska

Sir, Being no economist I am in no position to judge various schemes of helping the Polish economy, including those suggested by Professor Porter (September 22). However, it seems to me that even he cannot envisage the full extent of all the ramifications of the present collapse of the Polish economy. I would like to point out one only of the results of it, which is the international commercial or industrial agreement can put right.

A short time ago the Polish Government cancelled subscriptions of all the foreign scientific and other learned publications, including all the periodicals. The implications of such a move for the future of Polish science and learning in general, are incalculable. If it wouldn't mean the end of the progress of Polish science as such, it should mean inevitably a period of general stagnation with further dire consequences for future agricultural, industrial and commercial development.

I would like to use this opportunity to appeal to the scientific and other learned bodies and institutions, as well as to the private individuals, to render such help as they could manage to the hapless Polish scientists, universities, libraries and similar bodies by sending them any material they can afford to.

There is a long-standing tradition of brotherhood of European scientists, in which the British played a prominent part, that I hope will not allow them in the present moment to forsake their Polish colleagues in their almost insuperable need.

I remain, Sir,
Yours sincerely,
M. NIEMOJOWSKA,
64 Sumatra Road, NW6.

Why some are more equal than others, page 19

Has the EMS tipped in UK's favour? Page 19

Joint drive to make UK industry competitive

By Peter Hill, Industrial Editor

The Government yesterday approved a co-ordinated investigation into the means of making British industry more competitive. It gave the go-ahead for detailed studies into opportunities for private sector cash to be raised to fund nationalised industry investment projects.

Both moves were warmly welcomed by employer and trade union representatives at yesterday's meeting of the National Economic Development Council.

Although yesterday's decisions do not imply any short-term policy changes, the moves are seen by the Confederation of British Industry, the TUC and the Nationalized Industries Chairman's Group as encouraging. They are also being regarded as an indication that at least on the thorny issue of state industry funding, from the private sector, the Treasury and Sir Geoffrey Howe, the Chancellor of the Exchequer, may be prepared to show greater flexibility.

Yesterday's meeting, with the Chancellor in the chair, considered a detailed report by a working party on the scope for enabling state industries to go ahead with major investment projects, possibly by according greater priority to investment projects through borrowings from the National Loans Fund, or through raising cash from the private sector.

The Treasury, which led the working party's investigation, and the Government have resolutely opposed any move which might affect the Government's anti-inflationary policy and the control of the Public Sector Borrowing Requirement. Previous attempts to find a way out of the present impasse have been complicated by the Government's insistence that any borrowings from other than Government guarantees and whether called or not, would count against the PSBR.

Sir Peter Parker welcomed the working party's report as a "distinct step forward" and emphasized that state industry chiefs were anxious that potentially profitable capital spending schemes should not fall victim to the tightly-controlled system of external financing limits. The Chancellor warned that while all parties agreed that increased priority should be given to investment, that implied that it would be at the cost of spending cuts elsewhere in the public sector.

He said that the handling of nationalized industries over a long period had not been "very clever". The NEDC has asked the Treasury and the NICG to undertake detailed work over the next few months into specific projects in the nationalized sector offering opportunities for private sector involvement and to submit a further report by June next year.

But the Chancellor and Mr Patrick Jenkin, the new Industry Secretary, attending his first meeting of the NEDC, signalled their approval to the National Economic Development Council continuing detailed work on the possible implications for the United Kingdom of industrial policies elsewhere in Europe.

Government enters De Lorean affair

By Business News Staff

The Northern Ireland Office yesterday entered the De Lorean affair after Mr Nicholas Winterbottom MP told why he took the allegations so seriously.

In a statement issued last night, the office said: "The inquiries now being conducted are nothing more than the normal procedure which would always be followed when serious suggestions of financial irregularities are made."

The office said it had decided to issue the statement because of the interpretation which had been placed by some sections of the press on the investigations in connection with De Lorean Motor Cars Ltd.

The inquiries in "no sense" implied that the Government gave precedence to the validity of the suggestions of financial irregularities.

Having been informed of the allegations by Mr Nicholas Winterbottom MP, arrangements were made for the matter to be examined by the Director of Public Prosecutions in London, who has asked the Metropolitan Police to make further inquiries. It will, of course, be for the DPP alone to consider in due course whether any action on his part is necessary.

Mr Winterbottom explained at his Cheshire home at Asbury yesterday how he came in contact with Miss Marion Gibson who was on holiday in his constituency and met him by appointment to make known her allegations.

When the allegations were originally made they were just oral and I suggested if there was actual evidence I should have a sight of it," Mr Winterbottom said. "Within a few days, as a second meeting, documents and evidence and other memoranda was presented to me and although these copies were not made available at that time I realised the matter was so serious that I wrote to the Prime Minister's parliamentary private secretary and asked for an early meeting on her return from Australia."

Shortly after his second meeting, the woman returned to America and then he received telephone calls both from her and her lawyer indicating that it was a matter of urgency that the Prime Minister should be given the information at once.

"Downing Street then telegraphed the Prime Minister in Australia and after considering the matter she considered the allegations so serious that she instructed the office of the Attorney General that a full investigation should be undertaken by Scotland Yard."

"My sole reason for taking the action I have is to safeguard the British stake in De Lorean which is in the region of £80m and to try to ensure the continued employment of the 2,000 employees at the factory in Dunmurry."

Mr Winterbottom added he had

given a statement to the police and passed on the copies of the documents.

Mr Winterbottom said the statement involved the initial investigation made by De Lorean, the allegation being it was not as much as that originally stated and upon which was based the British Government's investment, the fact that the British stake in the company might be affected by the imminent rights issue, which has now been postponed for a month, and certain alleged payments.

"I have now fulfilled my function in acting as an intermediary on the evidence given to me and the matter is now wholly in the hands of Scotland Yard and Scotland Yard."

Belfast has been shocked by the news of the investigation into the allegations. Almost from August, 1978 when Mr Roy Mason, then Northern Ireland Secretary, announced that the De Lorean car was to be assembled in the province, there have been doubts as to its viability and the value of the return on the Government's investment.

Early criticism, however, has fallen silent as shipments of the car go under way and carrying vehicles, stacked with the prestigious DMC stainless steel-wings sports model were seen moving into the docks to be shipped by Norwegian freighter to the United States. Almost 4,000 cars have already crossed the Atlantic. The car costs £26,000 (£24,200).

Although the company's 500,000 square feet factory in the Twinbrook Industrial Estate in West Belfast employing over 2,000 workers was located there to provide jobs for the heavily unemployed Catholic section of the population, the Belfast morning newspaper *News Letter* today said that it will be tragic if the allegation were substantiated and if the industry which the city requires for its recovery were seriously affected by them.

De Lorean cars ready for shipment to the United States

De Lorean cars ready for shipment to the United States

Walters denounces 'quack cures'

By David Blake, Economics Editor

It was impossible to say just when the economy would start to "pick-up" from the present recession, Professor Alan Walters, the Prime Minister's economic adviser, said last night.

"All that I can say is that history tells us that it will happen," he said, in an address at the Institute of Directors annual lecture. Prof Walters had earlier told the businessmen that the recent uncertainty in stock markets had shown the need for a "quack cure" in the United States dominates the world economy.

He stressed the need for the Government to hold on to firm control of the money supply, adding that the country was going "round a difficult corner" at the moment.

Prof Walters' refusal to commit himself on prospects for when the economy will start to recover came during questions after his speech. He did, however, remind his listeners that a number of people, including the Bank of England had recently seen signs that

the economy is flattening out and added that he believed this could be the case.

The Government had decided to let the market determine interest rates, but he stressed that in his view nothing can change in the underlying situation of the British economy as a result of recent financial developments in response to a question he said there he thought there was a good chance that the underlying rate of inflation would be lower in 1982 than this year.

Reducing inflation needed a three years and probably a programme "that parallels for the time being" the "quack cures" proposals for boosting the economy through schemes designed to give business cheap credit.

He also attacked those who are calling for increased government spending as a way out of the recession, saying that there was an overwhelming case for cutting down.

Much of Professor Walters' speech was devoted to a defence

of monetarism, a term which he said had been "distorted and debased". It boiled down to the simple observation that if there was an increase in the quantity of a commodity on the market, its price would go down. Controlling the quantity of money was the only way to control inflation.

Much of the problem the Government faced came from the fact that people did not expect its determination to control money supply to last, he said. In the past they had been right to be sceptical.

Periods of tight money had been abandoned by Mr Jenkins in 1969 and Mr Healey in 1975. This had destroyed the credibility of the policy, which needed to get money supply growth to around 3 per cent a year and keep it there. "Belief is all," he said.

When people believed that the Government was determined to hold down the growth in the money supply, they would change their expectations, he said.



Photograph by Sue Parker

Portland Cement on firm ground

Rugby Portland Cement, whose chairman Lord Boyd Carpenter is pictured, has done unexpectedly well in the six months to June 30. The company, which is Britain's second largest cement maker with around a fifth of the market, owes its good performance to an increase in market shares at

home to a price increase, and the benefit of a strong dollar to earnings from the 85 per cent owned Cockburn Cement of Australia. Turnover rose from £66.7m to £67.7m and pretax profits were as high as £8.9m against £9.3m despite the recession. Financial Editor, page 19

Dow pays £24m for Arbuthnot

By Peter Wilson-Smith, Banking Correspondent

A £24m agreed takeover bid for Arbuthnot, Latham, the City merchant bank, was unveiled yesterday by Dow Scandia Banking Corporation, bringing to an end months of speculation about Arbuthnot's future.

Dow Scandia, which is ultimately controlled by the Dow Chemical company of the United States, is offering 33p cash for each Arbuthnot ordinary share and 67p each for the cumulative preference shares. Shareholders owning 51.1 per cent of Arbuthnot have irrevocably accepted the terms.

Dow Scandia, a recognised bank, was formed last year out of the London branch of Dow Banking Corporation, which owns 52 per cent, and three Scandinavian banks — Sundt, Hallsbänken of Sweden, Bank of Helsinki and Forretningsbanken of Norway.

The takeover has been approved by the Bank of England. However, it is doubtful whether Arbuthnot will be allowed to remain a member of the exclusive Accepting Houses Committee, which expelled Anthony Gibbs last year when bought by Hongkong & Shanghai Bank.

Arbuthnot shares came back from suspension yesterday and rose 5p to 310p but later closed after hours at 300p. The combined group will have total assets of over £400m. Financial Editor, page 19

Cool reception for EMS realignment

By Peter Norman in Brussels and Frances Williams

The weekend realignment in the European Monetary System has received a fairly cool reception from bank economists in the participating states.

The failure to agree on a devaluation of the Belgian franc was seen by many as a grave weakness in the new pattern of exchange rates that would sooner or later result in speculative currency flows upsetting the system.

In West Germany, bankers tended to think the three per cent devaluation of the French franc was insufficient to compensate for the growing differential between France's inflation rate and that of West Germany, while the 5.5 per cent revaluation of the mark was rather high for the country's export industry.

But in Brussels, the realignment found one enthusiastic supporter. M. Francois-Xavier Ortoli, vice president of the Commission responsible for monetary affairs, said that the new parities were realistic and that the realignment itself respected the principle that exchange rates in the EMS

should be fixed and adjustable. He said that the realignment demanded appropriate internal policies in the member countries. He hoped that it could lead to a fall in interest rates in the revealing states while those countries that had devalued should secure the competitive advantages of their changed parities by stepping up the fight against inflation.

Here Hans Marthofer, the West German Finance Minister, said yesterday that the mark revaluation could allow some easing of German interest rates in the long term because of its favourable impact on inflation.

And M. Pierre Mauroy, the French Prime Minister, confirmed yesterday that measures would be announced tomorrow aimed at substantially reducing the excessive rate of inflation.

He also told the newspaper *Le Monde* that the Government had been fully aware of the need to devalue the franc when it took office in May. But it wanted to choose the best time to do so, when the dollar was weaker and monetary conditions more stable.

The strongest candidate to buy Bowmaker is probably one of the American banks which have made strenuous efforts to enter the British retail banking market. Citibank was thought to be a leading contender and Bank of America said it was reviewing the situation. Both Chase Manhattan and Bankers Trust said they were not interested.

Standard Chartered Bank was considered a strong candidate in the City as was Hongkong and Shanghai Bank, but both are interested in buying Royal Bank of Scotland and might find a bid for Bowmaker a difficult complication. Financial Editor, page 19

Stock Markets

FT Index 490.4 up 14.1
FT CUs 60.93 up 0.33

Sterling

\$ 1.6350 up 3.60 cents
Index 88.1 up 0.8
New York: \$1.8595

Dollar

Index 107.6 down
DM 2.2660 down 660 pts

Gold

\$ 442.75 up \$7
New York: \$435.30

Money

3 mth sterling 16½-16¼
3 mth Euro \$ 16½-16¼
6 mth Euro \$ 16½-17

Rises

S & W Beristord 11p to 119p
Sap 20p to 294p
Cornell Dresses 20p to 123p
Electrocomps 12p to 140p
Empire Stores 10p to 82p
Freemans Ltd 4p to 110p
GEC 20p to 694p
Hill Samuel 12p to 138p
Minicorp 30p to 470p
Polly Peck 29p to 255p
Unilever 12p to 270p
Old Scientific 45p to 483p

Falls

Anglo Am Corp 45p to 557p
Atlantic Res 15p to 205p
Kestrel Grp 5p to 210p
T. Jordan 10p to 39p
Killinghall 25p to 475p
W. Lawrence 5p to 130p
Willard Docks 5p to 110p
Office & Elect 3p to 25p
Rand Mine Prop 5p to 32p
Rio Stalk 1p to 23p
Stone Platt 1p to 12p
Vibroplant 20p to 120p

SHOPS CLOSE

Clarks of Redford, the dry cleaners, is to close 18 shops with the loss of 70 jobs in Nottinghamshire, Derbyshire, Lincolnshire and Humberside because of changing fashion trends and rising costs.

A £69,000 handshake

Mr Leonard Knoppe collected £69,000 as a golden handshake when he suddenly left the meat group FMC last April, 17 days before the accounts revealed that the group had lost £1m. He was given an additional payment for pension rights.

Mr Knoppe had been with the group about eight years and had a two-year contract. He was formerly company secretary, reached the board level and then became managing director of the group's Harris division which made a substantial loss in 1980.

Mr Leonard Cattell, group managing director, said: "Had that division not performed the way it did, we would not have been in a loss."

£2m paid for newsagents

BPM Holdings, the printers whose newspaper publications include the *Birmingham Post*, is paying Westminster Press just over £2m for 375 Argus newsagents, tobacconists and confectioners in southern England.

Westminster, a subsidiary of Pearson Longman, owns 28 per cent of the voting stock of BPM. The Argus shops are said to have a combined turnover of £1m a week. BPM will pay less if Argus profits fall short of £240,556.

TODAY

London clearing banks publish statements of provisional vehicle output statistics.
Company results: Sears Holdings (half-year).

BUSINESS BRIEFING



Sports car era ends with TR7

The last mass-produced British sports car, a TR7 like that shown above, came off the production line at BL's doomed Solihull plant in the West Midlands yesterday. The final TR7 signalled the end of a 29-year era of Triumph sports car motoring.

A prototype TR7 was produced just seven years after the end of the Second World War. The first production model, the TR2, made its debut in 1953 to be followed by five updates culminating with the TR7 of which 120,000 have been sold, three quarters of them in the United States.

Harder times for hotels

Hotel room tariffs rose 11 per cent in the past year, the lowest increase since 1975, according to a survey by GBS and Company, the London-based hotel consultants. Some charges went down—single rooms without bath in London's West End and Victoria areas are now 5 per cent cheaper.

London hotels have seen operating profits decline 18 per cent, though provincial hotels have done better. The survey says 1982 could be another difficult year.

Housing starts in August numbered 12,500, compared with 10,800 in August 1980.

Stone-Platt chief resigns

Mr Robin Taverner, chief executive of the troubled textile machinery group Stone-Platt, has resigned unexpectedly after 12 years with the group. He took over as chief executive at the beginning of 1969.

The news comes as a shock to the City, where Mr Taverner was seen as having an important role in the reconstruction of Stone-Platt which ran into deep financial trouble and had to be rescued by City banks and institutions.

Mr Leslie Pincott, non-executive chairman, is to become chief executive as well. He said there had been no disagreement and Mr Taverner had left by mutual agreement.

Mr Taverner was paid £45,680 last year and had over two years of his contract to run. Mr Pincott said a settlement had been made.

Postal charges to rise 9.3pc

Some postal charges would rise by an average of 12 per cent early next year under Post Office proposals to the Post Office Users' National Council yesterday. The overall average increase proposed on a range of charges would amount to 9.3 per cent.

Within this average, the rate for first-class letters would rise by 11p to 15p and for second-class letters by 1p to 12p.

The Post Office is planning to raise charges for overseas mail by an average of 7 per cent. The average charge for ancillary services, including registered and redirected letters and cash on delivery, would rise by 12 per cent.

BONN DENIES STEEL BAN

West German officials firmly denied reports that Bonn was preparing to impose controls on imports of steel from its EEC partners.

Diplomatic sources in Brussels said earlier that the Germans had introduced strict customs checks on steel imported from other EEC states to guard against the dumping of subsidized steel products.

IMI Bailey Birkett is closing its factory at Beccles, Suffolk, because of lack of orders for iron castings and for valves for the gas and water industries.

freemans

Interim consolidated financial statement for the 28 weeks ended 15th August 1981 (subject to the year-end audit).

£000's	28 weeks ended 15th August 1981	28 weeks ended 9th August 1980	53 weeks ended 31st January 1981
Turnover	147,997	132,509	260,127
VAT	17,224	15,633	30,698
	130,773	116,876	229,424
Trading Profit	7,452	6,149	12,707
Interest Payable	884	1,085	2,063
Profit before Taxation	6,568	5,064	10,644
Taxation (see Note)	2,299	1,350	2,827
Profit after Taxation	4,269	3,714	7,817
Dividends	1,332	1,189	2,550

Note: The taxation charge for the 28 weeks ended 15th August 1981 has been based on an estimated effective rate of 35% for the full year. The charge for the comparable period has been reduced from £2,037m to £1,350m to reflect the rate of taxation actually borne for the full year ended 31st January 1981.

Dividend: The interim dividend is 1.9p per share (1980 1.7p) and will be paid on 5th December 1981 to shareholders on the register on 9th November 1981.

Comment: A return to volume growth, particularly in clothing and footwear, has led to an increase of nearly 12% in sales compared with the equivalent weeks of 1980.

Sales since 15th August have continued at much the same rate of increase while agent recruitment, which has been a strong feature this year, is continuing well.

Slightly higher margins earned, helped in the early months by the strong pound, resulted in an improvement of some 21% at the trading profit level. Furthermore, lower interest rates this year resulted in a fall in interest payable, thus producing an overall increase of 29% in the profit before taxation by comparison with the first 28 weeks of 1980, 51.

Freemans PLC, 139 Clapham Road London SW9 0HR.

IN BRIEF

Zimbabwe inflation may double to 16pc

The Zimbabwe economy is increasingly facing serious foreign exchange, transport and skilled labour constraints, the Standard Bank Group says in its latest quarterly report. Inflation is likely to double to between 16 and 17 per cent in fiscal 1981.

The bank predicts a fall-off this year in the value of mining production, the first since 1963, combined with slower import growth, substantially faster inflation and a deteriorating balance of payments position.

But the planned re-opening of the Beitira-Umtali oil pipeline at the end of 1981 and other measures to improve transport was one of the positive features.

The primary impetus to the economy in 1981 will come from agriculture, whose output will rise by 40 per cent, largely on account of a 233 per cent increase in the value of maize deliveries and higher tobacco and cotton earnings, the report said.

Loan guarantees

The Department of Industry has issued \$33 guarantees covering £28.5m of loans since the start of its Loan Guarantee Scheme on June 1. Mr John MacGregor, Under Secretary of State for Industry, said.

US oil imports drop

Gross United States imports of crude oil and petroleum products averaged 5.7 million barrels per day, a 6.8 per cent drop on the comparable period in 1980, the Energy Department said in Washington. The figure excludes oil imported for the strategic petroleum reserve during the same period.

Soviet oil output

Soviet oil production in the first nine months of this year was 435 million tonnes, a rise of more than one per cent over the same period last year, with September output at 50 million tonnes.

Japan-Germany link

West Germany's Kraftwerk Union (KWU), a Siemens subsidiary, signed an agreement with three Japanese companies for a joint feasibility study on utilizing a KWU-type pressurized water reactor in Japan, a Hitachi spokesman said in Tokyo.

Indian oil target

India, which needs nearly half of its oil needs from imports, is set to produce

340,000 barrels per day of oil from its onshore and offshore fields in 1981-82 against an estimated production of 204,000 bpd, according to Mr P. C. Sethi, the Indian Petroleum Minister. As a result imports could fall by about 100,000 bpd.

Syria project

Deutsche Babcock Bau, a unit of Deutsche Babcock, the West German machine and heavy industry group, has been awarded a contract worth DM230m for the turkey medical centre project for the University of Damascus.

French jobless fall

French seasonally adjusted unemployment total is estimated to have fallen 1.7 per cent in September to 1,808,000 from 1,840,300 in August, the Labour Ministry said in Paris.

Siberia coal drive

The Soviet Union has announced special measures to boost exploitation of its Siberian coal deposits and compensate for falling production in traditional coal fields.

Phone 'improvement'

The telephone service is improving, British Telecom claims. The proportion of reported faults cleared by the end of the next working day was 86 per cent during April to June 1981, compared to just under 50 per cent in 1978/79.

Husky computer

Microelectronics of Coventry has developed a portable microcomputer for use outdoors. Code named Husky 144, it features an extremely large memory, capable of storing more than 1 million bits of information — more than many desk-top machines.

London enterprise

United Biscuits and Whitbread are to join the London Enterprise Agency, the body set up by large companies to help smaller units and inner city renewal. The agency has so far provided help to 650 small companies and assisted 190 start-ups, according to its second annual report.

Fibre congress

The International Rayon and Synthetic Fibres Committee will be holding its fourth congress on October 16 in Venice to examine ways and means of achieving a balanced development of their markets.

EEC blows out threat to aerosols

By Derek Harris, Commercial Editor

Britain's aerosol industry, alone in Western Europe to experience a sharp decline in sales in the past two years, looks likely soon to escape another threat to its profitability.

Despite the possible effect on the earth's ozone layer of chlorofluorocarbons (CFCs), the European Commission is expected within the trade to produce a draft recommendation to hold the present amounts of CFCs used as propellants for three years.

If the Commission decided to reduce the levels further — they have already been cut 30 per cent — the British industry would be forced into more capital spending to substitute other propellants, like hydrocarbons, which have additional safety costs within factories.

There has been strong American pressure for a European ban on CFCs, particularly in aerosols. Non-essential use of CFCs in aerosols — such as for hair lacquer, deodorants, polishes and paint — has been banned in the United States.

This is because of still-contested evidence that CFCs can damage the ozone layer enough to lead to more skin cancer. The ozone layer is a protection against excessive ultraviolet radiation.

The commission is apparently willing to wait for definitive evidence before deciding on further reductions. Its recommendation will be reviewed in 1983 in light of any new evidence.

The commission's intentions have emerged during discussions with the

aerosol industry. But the commission is also expected to suggest that national governments should investigate whether the use of CFCs could be reduced elsewhere, particularly in large air-conditioning refrigeration units (where there can be leakage problems), in the making of polyurethane foam for furniture and other seating, and in food treatment.

The effect of the CFCs controversy on sales of aerosols is clear from a survey by Metal Box, which holds around 70 per cent of the British market for aerosol cans. Aerosol can fillings in the United States fell 20 per cent between 1974 and 1977 at the height of the controversy. They picked up again in the next two years, only last year falling back to the 1977 level because of the recession.

The United States accounted for 40 per cent of world fillings in 1976 but this

dropped to 34 per cent last year. European fillings declined only 1 per cent in this period to 36 per cent. There was a 7 per cent increase in fillings in the rest of the world.

Fillings worldwide were a record in 1979 at 6,475 million, with the recession causing a decline to 5,267 million in 1980. But British fillings were more badly hit, dropping 11.5 per cent since 1978 to 498 million fillings last year.

A new step in aerosol technology, a valve which allows 50 per cent faster filling on the production line, has come from Metal Box, underlining how such an approach can counter difficult trading conditions by improving efficiency and profitability. Another Metal Box innovation is a trimmer metal can which not only competes aesthetically with more expensive aluminium cans but saves on distribution costs because 20 per cent more can be packed to a pallet.

The state of world trade will be the most important factor for the aerosol industry in the next year, but other developments could give sales some extra impetus, Metal Box believes. Last year, there was revived interest in some novel applications for aerosols including the dispensing of fresh cream, toothpaste, cooking oil and caulking compounds used in construction work.

New applications could be important because of changes in some traditional markets. For instance, hairsprays are still the largest single aerosol category but their decline has continued.

However, governors of the Fed believe that a consistently firm stance now is much more important to the markets and to boosting confidence, than the precise money supply numbers. The markets continue to doubt the Fed's determination to slow money supply growth to bring down inflation, suggest some Fed sources.

Moreover, some Fed officials are surprised that the economy has not been even weaker in recent months in the face of very high interest rates.

Mr Regan's view, and that of increasing numbers of White House officials, reflects real Administration frustration with Wall Street's reaction to President Regan's economic strategy.

Administration officials believe that if the markets were displaying greater confidence, the President might find it easier to push his new economic measures through the Congress. A fall in interest rates is seen as vital to busy Wall Street's mood.

At a conference in San Francisco Mr Lee Gunderson, president of the American Bankers' Association, said bankers would be deeply concerned if the Fed moved to an easier stance, that could imply less determination in fighting inflation. He said: "It is very important for the Fed to adhere to a goal of solid monetary policy."

Mr Regan has stressed that he is aware that any change in Fed policies could affect expectations and so add to market nervousness and concern. However, it does appear that numerous senior White House officials take the view that the Fed is being more

cautious than is necessary. They feel the Fed could permit, for example, M1B growth at an annual rate of 4 per cent, which would still represent a formidable slowing from last year's level of around 7 per cent, rather than ensuring a rate now of under 3 per cent.

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BSC plans cost cuts by energy switch to coal

By Peter Hill, Industrial Editor

British Steel has embarked on a five-year programme aimed at cutting its energy bill of almost £400m a year by substituting coal for oil and natural gas.

The corporation is planning a series of experiments in its iron and steelmaking activities which, it is hoped, will lead to increased use of steam coal and reduce the level of high-quality coking coal which has been a major source of argument between the BSC and the National Coal Board.

Mr Ian MacGregor, BSC chairman, told a London luncheon of the Coal Industry Society yesterday: "The objective will be to try and become energy self-sufficient on coal with substantial improvements in cost-provided coal at competitive costs."

This move reflects BSC's concern about the high level of United Kingdom energy costs compared to those borne by its European competitors (and which the Government shows no signs of easing) and the scope which Mr MacGregor sees for enhancing steelmaking technology through wider use of coal as a fuel.

Emphasising the importance he now attaches to reducing the £380m which BSC spends every year on oil, gas and electricity he said: "We cannot carry a 14 stone weight when the other horses are carrying eight stone — we do not owe that to our people."

The prospect of the corporation developing uses for British produced steam coal will be welcomed by the NCB with whom the corporation has often been engaged in bitter arguments over the past few years on the price and quality of coking coal. The



Ian MacGregor: try to 'become energy self-sufficient'

failure of the NCB to meet the corporation's requirements on coking coal quality and price have led the BSC to enter long term supply deals with foreign producers.

The NCB can now tender for those deals, however when they fall due for renewal and negotiations are continuing between the two nationalised industries.

Shortly, BSC plans experiments, following discussions with the NCB, designed to improve blast furnace performance by injecting coal into the furnace instead of fuel oil or gas.

The hope is that once improvements have been made in the corporation's ironmaking operations, similar improvements can be made in steelmaking. Over the past 12 months, considerable progress has been made in reducing the amount of energy used in the production of every tonne of steel.

New system boosts UK colliery yields

By Rupert Morris

Coal production in certain British pits has been increased 2½ times by the introduction of a mechanised longwall system developed by the National Coal Board over the past 20 years.

Mr Merrick Spanton, a member of the board and director of its overseas arm, British Coal International, is to tell an audience of American coal operators and mining engineers in Charleston, West Virginia, today that Britain has developed longwall sys-

tems to such a high pitch of performance that no further basic changes in design are expected.

"So far 30 faces have been converted, of which 17 were started in 1980."

Mr Spanton says that in 1980 Britain produced by far the cheapest coal in Western Europe, at £35 a tonne compared with £61 a tonne in Belgium, £45 a tonne in France, and £44 a tonne in West Germany.

Swire Pacific Limited

Consolidated results for the six months ended 30th June 1981 and 1981 interim dividends

Results The consolidated results of Swire Pacific Limited for the six months ended 30th June 1981 — unaudited — were:

	Six months ended 30th June		Year ended 31st December
	1981	1980	1980
	HK\$m	HK\$m	HK\$m
Turnover	3,034.5	2,012.8	4,974.6
Operating profit	447.3	219.0	894.1
Interest charges—net	131.9	74.6	161.2
Net operating profit	315.4	144.4	732.9
Share of profits of associated companies	28.7	19.8	67.2
Profit before taxation	344.1	164.2	800.1
Taxation	62.2	33.6	131.4
Profit after taxation	281.9	130.6	668.7
Minority interests	87.9	43.4	210.7
Profit for the period	194.0	87.2	458.0
Extraordinary items	—	—	8.2
Profit attributable to shareholders	194.0	87.2	449.8
Earnings per share:			
'A' shares	55.4¢	24.9¢	130.8¢
'B' shares	11.1¢	5.0¢	26.2¢

Interim results and dividends The consolidated attributable profit of Swire Pacific Limited for the first half of 1981 was HK\$194.0 million, an increase of 122% over the first half of 1980. The directors have today declared interim dividends for 1981 of 24.0¢ per 'A' share and 4.8¢ per 'B' share.

	1981	Interim	Final	Total
	Interim			
Dividends per share:				
'A' shares	24.0¢	17.0¢	43.0¢	60.0¢
'B' shares	4.8¢	3.4¢	8.6¢	12.0¢

The interim dividends will be paid on 30th October 1981 to shareholders on the register at the close of business on 26th October 1981; the share registers will be closed from 15th October 1981 to 26th October 1981, both dates inclusive.

Prospects The results for the second half of 1981 will show further material improvement over those for the first half with major additional contributions from the Property Division. I expect that Swire Pacific's profits for the whole of 1981 will be significantly higher than those for 1980 and the final dividends to be recommended for the year will be at least double the interim dividends.

A full interim report is being sent to all shareholders.

D.R.Y. Bluck
Chairman

Hong Kong 29th September 1981

Swire Pacific Limited
The Swire Group
Swire House, Hong Kong.

RUGBY CEMENT

The Directors of The Rugby Portland Cement Co. Ltd. announce that the unaudited Group results for the six months to the 30th June 1981 were as follows:

	6 months to 30th June 1981	6 months to 30th June 1980	Year to 31st Dec 1980
	£'000	£'000	£'000
Turnover			
United Kingdom	88,021	59,898	112,364
Overseas	9,865	7,894	16,111
	97,886	67,792	128,475
Trading Profit			
United Kingdom	7,554	8,411	14,307
Overseas	1,633	1,371	2,905
	9,187	9,782	17,212
Interest Received and Investment Income	2,034	1,803	3,626
Interest Paid	(2,308)	(2,013)	(3,855)
	8,913	9,572	16,976
Group Share of Associated Companies	(38)	(39)	(111)
Profit before Taxation	8,875	9,333	16,864
Taxation			
United Kingdom	1,630	788	1,834
Overseas	94	92	203
Deferred — United Kingdom	250	750	800
	1,974	1,608	2,837
Release of U.K. Stock Appreciation Relief Provision	—	1,608	727
Profit after Taxation	7,001	7,725	14,754
Minority Interests	88	74	172
Profit before Extraordinary Item	6,913	7,651	14,582
Extraordinary Item	—	—	920
Profit after Extraordinary Item	6,913	7,651	13,662
Earnings per share	5.8p	7.3p	13.0p

Reduced activity in the building and construction industry in the United Kingdom resulted in sales tonnages of cement and steel reinforcement being below those of the equivalent period in the previous year. The adverse effect on trading profits of these reduced volumes was in part mitigated by cost savings and the greater proportional use of the more fuel efficient semi-wet cement-making process.

The improvement in overseas trading profits is due to the strengthening of the Australian dollar and steady progress by the Parnell Hotel. Cockburn's disappointing results were mainly the consequence of industrial action in the last three weeks of June.

Cockburn is expecting its results for the second half year to be significantly

better than those for the first half. This, together with a positive contribution from the Associated Companies, should ensure that the reduction in the Group's pre-tax profit below that of the first half of 1980 will be more than offset by the end of the year.

The Directors have declared an Interim Dividend on account of the year ending 31st December 1981 of 2.35p a share (£2,807,105 (1980: 2.2p a share £2,618,802)).

The dividend will be paid on the 4th January 1982 to shareholders on the register on the 23rd October 1981.

Boyd-Carpenter
Chairman

The Rugby Portland Cement Company Ltd.
Crown House
Rugby

BY THE FINANCIAL EDITOR

Fed's room for manoeuvre

It will be ironic to British eyes, should today's meeting of the Federal Reserve open market committee decide to add to the reserves of the United States banking system in order to encourage monetary growth and help along the fragile downturn in transatlantic interest rates. After the half point drop in three-month Eurodollar rates yesterday, the optimists on Wall Street are forecasting just such an action.

M-1B, the most widely watched indicator of money growth in the United States has risen by just 2.2 per cent since the start of 1981 against the 3½ per cent to 6 per cent target range. As Treasury Secretary Regan hinted at the weekend, there is room for easing monetary restraints at a time when the economy is softening into recession.

The open market committee which sets the guidelines for government policy on monetary and interest rate policy for the following month, will cut the Federal funds rate from 15 per cent to around 12½ per cent, according to the optimists, leaving the way clear for longer-term prime rates to fall from 19 per cent current levels to 16 per cent, perhaps, by Christmas.

This scenario sounds right on the supply side, give or take the odd point. But even the optimistic on Wall Street admit loan demand is still strong and that even the Fed is none too clear where the United States economy is at the moment.

So given that forecasting the turn in United States interest rates (wrongly) led to the collapse in financial markets over recent weeks and the over-reaction last year which led to see-saw rates, the best bet is that the Fed will tuck cautiously. Any supply of funds to the banking system would ease the pressure on short-term rates. But with the commercial demand for credit still holding up, it is doubtful whether the Fed will signal any significant shift in policy today. We shall know more on Friday.

Meanwhile the preliminary United Kingdom money supply figures for the four weeks to mid-September are due today. The trend of bank lending (over £1,000m on some estimates), will be the most closely watched item in the obfuscated outcome. Now that M3 has yielded its role as key indicator, official optimists should be encouraged by the latest wholesale price index and the implications for inflation.

With irrevocable acceptance from holders of over half the equity, Dow Scandia's £24m takeover of Arbutnot Latham is virtually a fait accompli. However, although Arbutnot's shares have been as high as 355p this year compared with the 320p bid price, shareholders seem to be getting a reasonable price, despite the lack of figures on which to base a judgement.

The year's high was reached in very different market conditions when speculation over a bid from Ansbacher was rife and there is little doubt that the shares would be much below 300p if there was no change of any takeover. Of course, valuing a bank which does not disclose all its profit and reserves is hazardous. But Dow Scandia seems to have had to pay a sizeable slice of goodwill — disclosed net worth is £15.8m — to win agreement from Arbutnot's big shareholders and the exit price ratio on historic earnings is over 16 which looks generous.

The merger will give Dow Scandia the expertise it wanted in various areas such as corporate finance, factoring and leasing, without having to build them up from scratch while Arbutnot should benefit from greater financial backing in a world where the smaller merchant banks look increasingly vulnerable. They cannot hope to compete with the bigger banks in the corporate finance side while margins on traditional banking business have become increasingly tight, and Henry Ansbacher will have to review its future now its hopes of a merger with Arbutnot have been killed.

Bowmaker

Offers please

The realignment of the hire purchase industry continues apace with Bowmaker being put up for sale and the immediately obvious point to bear in mind that such are the resources needed for this type of business the company will have to be bought by a very large group indeed. In short, there is no question of floating it off as a separate entity.

But the instalment credit business is dominated by the clearing banks. Each has its own substantial business, with Lloyds in the middle of tidying up its relationship with Lloyds & Scottish. Although it might appear axiomatic that a bid by one of the clearers would prompt a reference to the Monopolies Commission, this is not necessarily so. The most obvious candidate, however, is an American bank keen to buy hard and fast into the United Kingdom consumer credit market, with Citibank or Bank of America front runners, given their enthusiasm for the United Kingdom retail market.

Price is quite another matter and there are almost as many variables here as there are possible bidders. Net assets of just under £50m plus deferred tax of £48m are part of the equation just as pretax profits of perhaps £10m this year will also figure prominently. The Lloyds & Scottish operation currently under way involves a sum suggesting a value of around 20 times earnings or twice net asset value. The figure could eventually be anywhere between £75m and £90m, a big bite by anyone's standards.

Freemans, the country's largest mail order house, has easily exceeded market forecasts with its 29 per cent leap in pretax profits to £6.5m. Earlier in the year the odds looked decidedly against any improvement in trade this year for the mail order sector, but not only is Freemans optimistic about the full year but Grattan last week looked well set for recovery.

Much of Freemans' volume growth, which pushed sales up 12 per cent to £130.7m, excluding VAT, came from clothing and footwear and the group itself says sales since the half-year in August have continued at the same rate. The key to the profits advance lies in the higher margins struck on clothing — particularly women's fashion wear. Margins here are about 10 per cent higher and price increases have been in the region of 5 per cent, giving rise to trading profits 21 per cent better at £7.45m.

Profits of between £13m and £14m look possible after last year's depressing £10.6m. Patient shareholders get their reward with a small dividend increase to 2.7p gross against 2.4p and the shares gained 14p to 110p on the news, but the outlook for disposable incomes suggests that although the mail order companies have got their houses in order there may not be much mileage left in the shares.

Rugby Portland

Winning market share

Rugby Portland has gone coy over its success in winning United Kingdom market share, possibly to placate Blue Circle which has been losing it. This Autumn moreover, Rugby will want a good price increase and Blue Circle could demur. At all events Blue Circle's United Kingdom market share has gone down 3 per cent to 56 per cent, and the impression is that Rugby has gained a percentage point or so to put it at between 47½ per cent and 20 per cent of the home market.

Cement prices also rose 11.75 per cent in March. So Rugby's United Kingdom trading profits fell by 10 per cent in the half-year while those of Blue Circle dropped by nearly 20 per cent. But Blue Circle earns most of its money abroad, in glamorous places like Mexico and Chile, while Rugby depends on the recession-bound United Kingdom. Home trading profits were £7.6m; overseas they were £1.6m (against less than £1.4m), thanks entirely to the strength of the Australian dollar against the pound, despite labour trouble dislocating the 85 per cent owned Cockburn Cement of Australia in the last three weeks of the half year.

Cockburn recently revealed that its pretax profits fell from A\$1.6m to A\$765,000 in the half year. But the Parmelia Hotel in Perth did reasonably. The upshot was a retreat of little more than 4 per cent in total pretax profits to £8.88m as the half year stage against outside estimates of £8m and the half time dividend looks attractive. Given a trading recovery in Australia in the second half year, the group could make pretax profits of around £17.5m this year, against £16.9m in 1980, and though the outlook at home is flat, year comparisons will start to look better as recession enters into them.

Brussels

The weekend realignment of the European Monetary System (EMS), will probably strengthen the strong and weaken the weak among the EEC economies.

A system that proclaims a principle of "fixed but adjustable" parities but leaves the fixing of these parities to the exercise of political muscle under the great and small should world markets open before a decision is reached, can change itself only by a process of messy compromise.

And so it was in Brussels over the weekend. The French Government needed a companion in devaluation to prove that the franc was not the only delinquent currency in the EMS. The Italians were finally persuaded to assume the role, devaluing their currency by 3 per cent with the French franc.

The Belgian Government representatives were able to point to their "caretaker" status to avoid yet again a devaluation of the most heavily indebted currency in the Western world.

And once again it was left to the German mark to shoulder the burden of realignment through a revaluation with the Dutch of 5.5 per cent against the unchanged currencies of Belgium, Luxembourg, Ireland, and Denmark. Yet at the meeting broke up only Herr Hans Matthöfer, the West German finance minister, and Mr Alfonso Ban de Stee, his Dutch opposite number, appeared genuinely satisfied with the outcome.

While the unchanging and devaluing countries have bought no more than time through the realignment, West Germany and Holland may be on the way towards reestablishing the traditional autonomy enjoyed by hard currency countries in monetary affairs.

Herr Matthöfer said the decision concerning the "careless" in wealth for the German people. Although in theory, the upward movement of the mark against its European trading partners could endanger the country's export industry at a time, when increasing exports are practi-

cally the only source of economic growth in Germany, previous increases in the mark's value have tended to take a long time to work through into loss of markets, and declining volume exports.

For West Germany, the price gained from revaluation is the advantages that it produces in the battle against inflation. Although Germany has the worst level of price increases of any member of the EEC its inflation rate on a year to year basis has dropped from 6 per cent in recent months to levels unknown since 1974. Much of the upwards pressure on prices has come through the rising cost of imported goods caused by the fall in the mark against the dollar and other world currencies over the past 18 months.

On Sunday, Herr Matthöfer made a point of stressing his belief that the mark should now rise against the dollar as well as the EMS currencies, suggesting that the West German Government's preferred path to economic growth is through the increased competitiveness conferred by stable prices at home.

The German Government is hoping that the revaluation will increase the attractiveness of the mark to foreign investors creating scope for interest rate reductions at home. The major problem with the French franc has been its fall from grace as an investment currency since President Mitterrand came to power in May. The new, modest, in the French statements issued at the weekend to suggest that France has done more than buy a breathing space from further speculative attacks on its currency.

Devaluation is normally accompanied by austerity. Yet after the meeting, M. Jacques Delors, the French Finance Minister, gave no indication that France might be prepared to tighten its belt. Instead, he outlined what appeared to be a contradictory domestic policy stance: eliminating inflation, maintaining purchasing power and limiting unemployment.

Although M. Delors said that the French government's expansionary policy would be in a budget deficit of only 3 per cent of gross national product by the end of next year, financial markets are profoundly sceptical of the programme.

The inflationary implications of devaluation were not lost on the Italian Government. It was only in response to pressure from his colleagues that Signor Nino Andreatta, the Italian finance minister, finally accepted a line devaluation of 3 per cent against the unchanging currencies in line with the

Why some are more equal than others

Peter Norman assesses the effects of the European Monetary System's (EMS) realignment at the weekend and Frances Williams (below) examines the case for and against British membership

At the Frankfurt Money Exchange yesterday the mark made significant gains against the dollar.

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Has Europe's monetary system tipped in Britain's favour?

The weekend realignment of currencies within the European Monetary System (EMS) is bound to intensify debate on the advantages and disadvantages of early British membership.

With the British Government at present undecided as to whether to go in or not at any time since the EMS was born in March 1979, could the realignment finally tip the balance and persuade it to apply for membership?

There are two reasons why it might. The growing interest in full British membership of EMS has been sparked off by the Government's desire to avoid further steep falls in the value of the pound because of the damaging impact this has had on the cost of imports and thus on domestic inflation.

At the same time there has been mounting dissatisfaction with the volatility and instability shown by the foreign exchange markets, which exaggerates the exchange rate changes necessary to correct fundamental imbalances and leads to prolonged periods of under or over-shooting. This means great uncertainty in planning ahead both for industry and for government.

Despite realignments (and the latest is only the second major realignment in 2½ years) the EMS, the governor of the Bank of England has pointed out on a number of occasions, has been a haven of relative stability in a stormy period for foreign exchange markets. It is this experience, indeed, which now inclines the Bank towards British membership.

However, even for EMS supporters who include the Foreign Office as well as Bank and some Treasury

officials, a big stumbling block has been deciding the rate at which the pound should enter, particularly against the Deutsche mark.

Pegging the pound at too high a rate would hurt the competitiveness of British industry, and would commit the authorities to a defending a rate which might finally prove unsustainable. At the end of last week the pound was still higher against the mark than it was in March 1979, when it would buy only DM3.86 compared with Friday's DM4.17. And since that time United Kingdom inflation has run at nearly three times the German rate.

Many analysts feel that pegging the pound much above DM4 would be disastrous. But the realignment brings DM4 that much closer. Yesterday the pound was trading at around DM4.14, less than the DM4.17 which the EMS fluctuates within narrow bands (2½ per cent above or below their central rates) against the European Currency Unit, except for the lira which has a maximum divergence of 6 per cent. Supporters of British membership can claim that a sustainable rate for sterling now looks attainable.

The expected buoyancy of the Deutsche mark provides the other reason now for EMS membership. Because EMS currencies are tightly linked, a rise in the Deutsche mark appreciates against the dollar and tends to drag other currencies up in line. This could be of great benefit to Britain which does more trade in dollars than any of the other European countries and stands to import substantial inflationary pressures from

further falls against the American currency. The pound-dollar rate could come under particular pressure towards the end of this year when American interest rates are expected to shoot up again because of pressures on the money markets from funding the huge federal budget deficit.

Opponents of early British membership of the EMS currency mechanism, who include the Chancellor, Sir Geoffrey Howe backed by the international finance section at the Treasury, remain unconvinced. They point out that the very same strength of the Deutsche mark is likely to lead to further instability within the EMS with the mark persistently bursting through its permitted ceiling against weaker currencies. It is indeed what brought about the disintegration of the currency "snake" which preceded EMS. And they suggest that EMS stability over the past 2½ years has been achieved only because the mark has been uncharacteristically weak.

EMS opponents also believe that full membership would not solve sterling's problems and might increase them. Membership would not solve Britain's problem of taking unpleasant measures to support the currency if it came under pressure.

On the contrary it would be obliged to do so, while the existing option — of letting the pound fall albeit with inflationary consequences — would be ruled out except as an exceptional adjustment. This "bias to delay," which the authorities were so eager to escape from in the dom-

estic money markets by suspending minimum lending rate and letting the markets take the strain, could impose heavy and unnecessary costs on the economy through elevated interest rates, loss of reserves, or more deflationary policies.

Opponents allege that the pound would be at a special disadvantage because its petro-currency status and use as a home for speculative money makes it particularly prone to fluctuation.

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REVISER: WURSE	DATE: 10.10.81
UNITED STATES DOLLAR	MARK
USA	2.440
ENGLAND	4.76
IRELAND	3.55
CANADA	86.12
NEDERLAND	71.32
SCHWEIZ	136.7
BELGIEN	3.55
FRANKR.	
DÄNEMAR.	
NORWEGEN	
SCHW.	
OS	
FIN	
SOLD	

downward movement of the franc.

Italy devalued its currency last March by 6 per cent and has only just begun to effect a programme to bring inflation down to 16 per cent next year from around 20 per cent at present. The Italian economy is extremely prone to imported inflation. A 5 per cent depreciation of the lire can normally be expected to add between 1 per cent and 1.5 per cent to the domestic inflation rate.

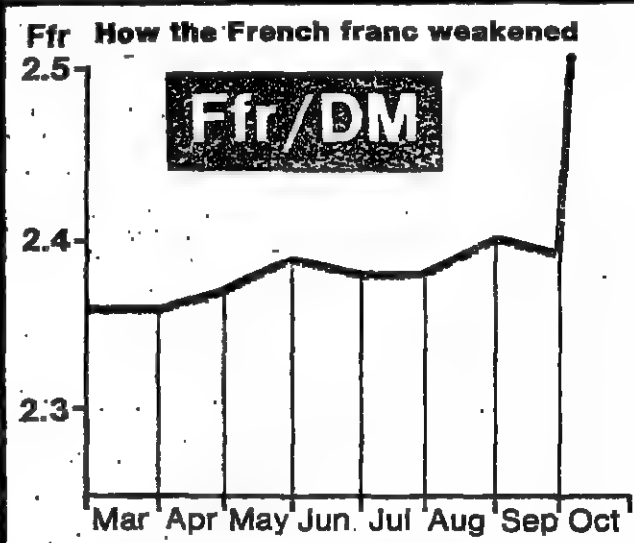
Belgium stood out against any devaluation of its franc. Belgium has the highest level of state debt per head of population of any of the Western industrial countries. Its current account is massively in deficit and the national bank has been forced to buy an estimated 250,000 francs in support of the currency this year.

But Belgium also has the most comprehensive system of indexation of any EEC Member state and at present is under a caretaker government which by law can only take routine decisions in the period up to the general election on November 8.

The failure of successive governments to secure union backing for a dilution of the indexation system reinforced the insistence of M. Robert Vandepitte, Belgium's finance minister, that the franc's central rate remain unchanged. There is a case for saying that the relatively high 5.5 per cent revaluation of the currency of Belgium's two major trading partners could give Belgium industry a temporary lift in competitiveness. But the danger lies in increased upwards pressure on an inflation rate that has crept up from 7 per cent in January to nearly 8 per cent by the middle of summer.

Although Belgium's relatively low inflation rate could offer some hope that the new central rates might hold for some time, the failure to adjust the Belgian franc appears to be a grave weakness in the new regime. The first reaction of foreign exchange bankers tended to be that the EMS must come under renewed pressure within, possibly, six months.

The inflationary implications of devaluation were not lost on the Italian Government. It was only in response to pressure from his colleagues that Signor Nino Andreatta, the Italian finance minister, finally accepted a line devaluation of 3 per cent against the unchanging currencies in line with the



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Business Diary: Cheers in the City of London Arms

A brace of former Lord Mayors of London, namely Sir Peter Gadsden and Sir Lindsay Ring, take to the skies today on their way to visit one of the City's more unusual money-making schemes.

Both gentle souls may need their wits about them when they visit Lake Havasu in Arizona, for the past 10 years home to the old London Bridge. Some locals, apparently, still feel they were hornsawed by the corporation when it sold them the bridge; what they expected to arrive brick by brick was Tower Bridge and not its equally historic, though less attractive, former neighbour.

Still, the Arizonans can not complain. The bridge, rebuilt by the McCulloch oil company has brought in the visitors and led to something of a property boom. And Sirs Peter and Lindsay will have some ammunition to throw at any Londoners who are still griping about the sale.

When the bridge was re-erected, the corporation took an acre of land and built a gift shop and a pub called, naturally, the City of London Arms. In the past decade, the development has turned in a total profit of around \$100,000.

Since Arizona has a state law banning foreigners from

owning developments within its boundaries, the site is administered through agents and a company called the City of London (Arizona) Corporation.

The celebrations being held to mark the bridge's decade on American soil are the reason for the visit by the two knights.

Happily, however, the trip is not all business. The mayors are also planning a trip to Las Vegas, though the idea that two such eminent City gentlemen could possibly take to the tables is clearly monstrous. It is, they say, to check up on the illuminations.

Car cares Nicholas Winterton, the volatile Tory who has been raising accusations about alleged misdeeds at De Lorean, is likely to find a new ally in the Government.

He is none other than Jock Bruce-Gardyne who until a few weeks ago had to content himself with voicing his opinions in the pages of *The Sunday Telegraph*.

Come the reshuffle, Bruce-Gardyne was elevated to the position of Minister of State at the Treasury, a job which gives him every right to cast a critical eye over the vast amounts of taxpayers' money which has so far found its



"We've made the forgery operation inflation-proof, boss. We've stopped producing bank-notes in favour of postage stamps."

way to the Belfast car firm.

His eye is likely to be very critical indeed. Long before the present hoo-ha, Bruce-Gardyne was not masking his distaste for the £80m of government aid for De Lorean, a scheme which was set up by the last Labour government.

He is likely to take more than a passing interest in the allegations which Winterton has raised. Both men are well

to the dry end of the party, a position they had hoped would earn elevation immediately Mrs Thatcher came to power.

The hours of waiting by the phone have only just been answered for Bruce-Gardyne; it remains to be seen if the bell will ever ring for Winterton.

Head hunter Lachlan, optimistic Tory lackluster, Philip Holland, MP for re-election in 2½ years) the EMS, the governor of the Bank of England has pointed out on a number of occasions, has been a haven of relative stability in a stormy period for foreign exchange markets. It is this experience, indeed, which now inclines the Bank towards British membership.

However, even for EMS supporters who include the Foreign Office as well as Bank and some Treasury

officials, a big stumbling block has been deciding the rate at which the pound should enter, particularly against the Deutsche mark.

Pegging the pound at too high a rate would hurt the competitiveness of British industry, and would commit the authorities to a defending a rate which might finally prove unsustainable. At the end of last week the pound was still higher against the mark than it was in March 1979, when it would buy only DM3.86 compared with Friday's DM4.17. And since that time United Kingdom inflation has run at nearly three times the German rate.

Many analysts feel that pegging the pound much above DM4 would be disastrous. But the realignment brings DM4 that much closer. Yesterday the pound was trading at around DM4.14, less than the DM4.17 which the EMS fluctuates within narrow bands (2½ per cent above or below their central rates) against the European Currency Unit, except for the lira which has a maximum divergence of 6 per cent. Supporters of British membership can claim that a sustainable rate for sterling now looks attainable.

The expected buoyancy of the Deutsche mark provides the other reason now for EMS membership. Because EMS currencies are tightly linked, a rise in the Deutsche mark appreciates against the dollar and tends to drag other currencies up in line. This could be of great benefit to Britain which does more trade in dollars than any of the other European countries and stands to import substantial inflationary pressures from

further falls against the American currency. The pound-dollar rate could come under particular pressure towards the end of this year when American interest rates are expected to shoot up again because of pressures on the money markets from funding the huge federal budget deficit.

Opponents of early British membership of the EMS currency mechanism, who include the Chancellor, Sir Geoffrey Howe backed by the international finance section at the Treasury, remain unconvinced. They point out that the very same strength of the Deutsche mark is likely to lead to further instability within the EMS with the mark persistently bursting through its permitted ceiling against weaker currencies.

ACCOUNT DAYS: Dealings Began, Sept 28. Dealings End, Oct 9. § Contango Day, Oct 12. Settlement Day, Oct 13.
§ Forward bargains are permitted on two previous days

Legal Appointments

KUWAIT PETROLEUM CORPORATION

The Marketing Sector of Kuwait Petroleum Corporation, Kuwait, is responsible for the international sales of the country's crude oil and petroleum products, and incorporates technical, planning, analytical, operational and other related functions to support its sales activities.

There is a requirement within this sector at Head Office for a

SENIOR LEGAL ASSISTANT

The Senior Legal Assistant is to be involved in the examination, analysis and drafting of legal texts, agreements, contracts and other legal instruments relating to the functions of the Marketing Sector which will also require research and knowledge of legal developments in the petroleum industry worldwide. The assistance of a lawyer with a minimum of 5 years' experience in the legal aspects of the international petroleum industry is required.

An attractive salary with furnished accommodation is offered, and benefits such as educational allowance for children, paid annual leave of 35 calendar days with air passage for employee and family, insurance coverage, and end of service bonus.

Interested candidates are invited to write in confidence, giving full details of academic background, career history, date personal data, address and telephone number to:

The Administration Manager,
Kuwait Petroleum Corporation,
P.O. Box 26363, Safat, Kuwait.

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The solicitor appointed will merit immediate or very early salaried partnership with the prospect of equity participation in the fullness of time. It is unlikely that a suitable applicant will currently be earning under £12,000.

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c.£18,000+ Car

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ABBEY NATIONAL BUILDING SOCIETY

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Executive Selection Consultants

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Tel: 01-821 6543 or 821 6223.

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FOR RACIAL
EQUALITY

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The Commission for Racial Equality was set up under the Race Relations Act 1976. Its main duties are to work towards the elimination of racial discrimination and to promote equality of opportunity and good race relations.

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SOLICITOR

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Interview London November.

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